PARIS, TUESDAY, MAY 12, 1987

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Thatcher Summons U.K. to June Vote

of this contest as they lay out two

First, they will argue that Mrs. Thatcher needs a third term to in-

situtionalize her free-market eco-

to the state ownership and economic control instituted by the Labor

overnment after World War II.

argue that the prime minister will

use a third term to extend the "Thatcher revolution" from eco-

nomics into such areas as educa-

cation proposals that would apply

market theory to school financing

tion, health care and housing.

ability to attract students.

next century, as well as this."

The opposition leaders said they

were eager to join the campaign debate on the terms outlined by the

Conservatives. They see this as an

"Will we have a modern welfare

er, sounding a central opposition theme: that Thatcherism has divid-

See BRITAIN, Page 4

By Howell Raines New York Times Service LONDON - Prime Minister Margaret Thatcher called a general election Monday for June 11, thus because I believe passionately in our policies and I believe they are tying her political fortunes to an improving economy and the Conright for Britain," she said. Conservative strategists plan to emphasize the historical shadings servative Party's rising position in

public opinion polls. Shortly after noon, Mrs. Thatcher went to Buckingham Palace and formally advised Queen Elizabeth II to dissolve Parliament. She is

The pound fell on news of the election. Page 21. The London Stock Exchange rose to a record. Page 10.

calling the election a year before the law requires.

Monday, Parliament will have until May 18 to wind up its business. The parties will then publish their manifestos for the campaign in the 650 parliamentary constituencies in England, Wales, Scutland and Northern Ireland.

Public opinion polls show Mrs. Thatcher positioned to lead her party to another substantial major-10 most recent nationwide surveys put the Conservatives at 41.7 percent, Labor at 30.4 percent and the Liberal-Social December 1. The control of the control Liberal-Social Democratic alliance

If evenly distributed throughout the country, a popular vote along those lines would give the Conservatives a majority of about 90 seats.

opportunity to emphasize the is-sues of compassion and fairness Now her majority is 138 seats.

Mrs. Thatcher, who took office and Mrs. Thatcher's image as an in 1979, would be the first prime uncaring ideologue. minister this century in win three consecutive terms. She could also become the century's longest-serving prime minister, surpassing Her-bert Asquith and Winston Churchill, both of whom served almost

Kiosk

India Assumes

Rule of Punjab

NEW DELHI (Reuters)

The fadian government imposed direct rule Monday on

the state of Punjah, saying that

the moderate Sikh government

there failed to counter separat-

A proclamation issued after a

nent 10 New Delh

cabinet meeting said the central

would take immediate control

of the state following a "break-

down of the law and order ma-

Mare than 900 people have

died in the last 18 months in a

campaign by Sikh extremists to

set up an independent home-land for Punjah's 12 million

French Shut Reactor

GRENOBLE, France (AP) - The breeder reactor plant at Creys-Malville near here is tn

be shut indefinitely at the end of the month for repairs to a storage tank, the plant's man-

agement said Manday. The

plant, a major power producer, leaked sodium conlant in

SPECIAL TODAY

SEOUL'S NEW TURMOIL

South Korea's balance sheet

shows a rapidly expanding

economy, but hopes for a resoluting of the country's political

A special report, Pages 11-16

Christian Lacroix, the

new Paris couture sensa-

tion, is being heavily

courted in the U.S. Hebe

Dorsey reports. Page 7.

U.S. and Bolivian troops be-

gan joint maneuvers, but denied they planned raids on Bolivian

Israel's cabinet remains split

after debating plans for a peace

DM L Yen FF

1.7905 1.6615 139.55 5.9820

Dow close: Down 15.00

The dollar in New York:

GENERAL NEWS

drug traffickers.

conference.

troubles have faded.

ist violence.

Barbie Trial Opens ment Monday, Mrs. Thatcher even raised the possibility of a fourth term. "I hope to go on and on

Ex-Nazi Officer Is Taken Before Court in Lyon

By Julian Nundy

LYON - Klaus Barbie went on trial here Mooday for crimes comic policies and prevent a return against humanity more than 40 ears after he was an SS officer in Nazi-occupied France. Second, the Conservatives will

Barbie, 73, whose trial has been in preparation since he was ex-pelled from Bolivia in 1983, was led handenffed into court.

A police guard removed his manacles, and the defendant, known as For example, the Tory manifesto is said to include a plan to transfer rental housing from state to private "Butcher of Lyon," took his seat behind a glass screen for a 20minute photo session. ownership. It will also contain edu-

Then, speaking in a strong voice, Barbie told the presiding judge, André Cerdini, that his name was by linking a school's funding to its Altmann, the alias under which he lived in Bolivia for 33 years. "I think it really is a manifesto to

The statement led to the first legal wrangle in a trial that appears destined to include a multitude of procedural disputes.

Barbie, looking thin but apparently healthy, implicitly confirmed his true identity a few seconds later when he gave his father's family name as Barbie.

For his first appearance in the Lyon superior court, Barbie wore a black suit and tie that court officials said had been donated by local charity. state with Labor or end up with a poor law state under the Tories?" said Neil Kinnock, the Labor lead-

Apart from the uniform he wears Saint-Joseph Prison, his only clothes are those he wore when he left Bolivia and a Bolivian Army See TRIAL, Page 4



Klaus Barbie arriving Monday in the Lyon courthouse.

McFarlane Says Reagan **Condoned Outside Aid**

Intervention On Weapons Cargo Cited

WASHINGTON - Presiden Ronald Reagan was kept informed of efforts to arrange financial aid to Nicaraguan rebels after official U.S. assistance was outlawed, according to testimony on Monday by Robert C. McFariane, the president's former national security ad-

Mr. McFarlane also said that President Reagan asked the president of a Central American coun-

A prosecutor is reviewing testimony by a U.S. official over aid to the contras. Page 5.

try, reportedly Honduras, to release a shipment of arms that was seized before it could reach the contras, as the rebels in Nicaragua

In testimony opening the second week of hearings into the Iran-con-tra affair, Mr. McFarlane spent several hours outlining what he knew about efforts to help the contras after aid was banned by Congress, and then turned his attention to the Iran arms deal.

Mr. McFarlane said he was asked to "play God" and choose one American hostage to be re-leased after the first U.S.-approved shipment by Israel of arms to Iran. He described in detail a meeting in early Angust 1985 involving President Reagan in which an Is-

raeli plan for selling arms to Iran was proposed.

Mr. McFarlane said that within days of the time the Israelis first proposed the idea, Mr. Reagan

made a decision to go ahead with attempts to approach moderate Iranians as suggested by David Kimche, director of the Israeli foreign ministry. That assertion con-tradicted testimony last year by the former White House chief of stall, Donald T. Regan.

Mr. Regan has said the president only approved the Israeli shipment after the fact

The president's "decision was to tiously as possible." approve Israel being authorized to to Iran and to come to the United Wedtech, predicted that he would States and be allowed to purchase be vindicated. replacements." Mr. McFarlane

He said he later learned that Is-



Robert C. McFarlane taking oath Monday before testifying.

Meese to Be Investigated By Independent Counsel

By George Lardner Jr.

WASHINGTON - Attorney General Edwin Meese 3d asked Monday that an independent coun-sel undertake a criminal investigatioo of his ties to Wedtech Corp., a defense contractor that is the subject of federal inquiries.

The counsel, James C. McKay, said the inquiry would begin imme-diately and "be pursued as expedi-

Mr. Meese, who has had various sell modest levels of TOW missiles personal and financial dealings did not think his mandate was or other military spares and items with individuals associated with broad enough to cover Mr. Meese

> He also announced that he was terminating the "limited partnership" he and his wife established under California law in May 1985 with W. Franklyn Chinn, a West Coast businessman who had just

"The attorney general desires at this matter be resolved as that this matter be resolved as promptly as possible, and in a forum that will prevent partisan political exploitation," said Terry H. Eastland, a Justice Department Deputy Attorney General Ar-

oold Burns, who served as the intermediary in the case, asked Mr. McKay in a letter to expand the Mr. McKay has been looking

into lobbying on Wedtech's behalf by Lyn Nofziger, a former White House aide, and his associates. Mr. McKay said last week, in response to congressional inquiries, that he without explicit authorization.

In his letter, Mr. Burns pointed that there were not only similar legal issues involved, but also "a substantial factual overlap between the allegations concerning Mr. Nofziger's relationship with Wel-bilt/Wediech"—the company was become a consultant for Wedtech. originally called Welbilt Electronic Die Corp. - "and the recent reports concerning Mr. Meese's deal-

See MEESE, Page 4

Aquino Slate Leads in First Poll Results

United Press Inte MANILA -- Supporters of President Coraznn C. Aquino were leading Monday in early and unofficial returns in congressional elec-tions that are considered the last step in restoring full democracy to

the Philippines. initial returns carried by the state-run Philippines News Agency and the independent radin station DZRH showed Mrs. Aquino's chosen candidates leading in races for the 24-member Senate, the more powerful of the twn houses, by at least 17-7

The military, however, voted heavily for the opposition, according to an unofficial count of absentee ballnts by the private but gov-ernment-approved National Movement for Free Elections. The partial count showed the op-

senice vniers. The scattered results accounted for less than I percent of the votes Officials estimated that 90 percent of the island's 26.4 million registered voters participated.

position leading, 16-8, among ab-

A spokesman for the Commis-sion on Elections said it did not expect a trend in emerge until later this week in the Senate race. Filipinos also voted for 200

members of the House of Representatives. No results were immediately known in that race. Polling places in the capital were

ammed and the streets were littered with sample ballots. Voters took up to 15 minutes to fill out the ballots, on which they had to choose a representative and 24 sen-

The military listed 16 deaths in killed in a Communist guerrilla attack on a police station.

General Fidel V. Ramos, chief of the armed forces, said 65 persons died in election-related violence during the two-month campaign. By comparison, 155 people died

during the 1971 congressional campaign and 49 on election day that See AQUINO, Page 4

59 U.K. Brokers Defect to Rival Firm By Warren Getler creasingly common since London of Exco International PLC, the John O'Connell, man

LONDON - More than twothirds of the trading staff of Purcell Graham & Co., one of five Euro-bood brokerages operating in Loo-don's financial district, said Mon-

moving on masse to a competing American-owned firm. would represent the largest single staff. defection in the recent history of the City, London's financial district, and would cripple the firm.

Spiraling salaries and major per-sonnel shifts, including the "raid-

ing" of brokerages by corporate "headhunters," have become in-

markets in the so-called "Big Bane" in October.

Nothing, however, has mached the potential coup scored by Can-tor Fitzgerald U.K. Ltd., the Britday they were resigning and ish arm of a Wall Street bond firm, where the Purcell employees were said to be headed. The defections The exodus of at least 59 people would double the size of Cantor's

The trend has aroused the concern of British regulatory authoriother 14 employees had followed tor's reluctance to appear as if it
ues, who view rapid personnel suit in Purcell's Hong Kong office, had encouraged the defections. changes from company to compa-ny as potentially disruptive to the

Richard Worthington, a director London.

45 of 60 Purcell's staff members in London had resigned. "We believe they may he seeking

employment with Cantor Fitzger-ald," he said. One Exco official added, "They appear to have been poached away by Cantor."

the group's sole overseas branch. Purcell is believed to be the second-largest Eurobond broker in

moved to deregulate its financial Loodon-based financial service rector of Cantor, a subsidiary of group that acquired Purcell for \$22 Cantor Fitzergald Securities Co. of million in October, said that about the United States, confirmed that "aumerous" stelf members from. Purcell had approached Cantor coocerning future employment.

Mr. O'Connell said that those employees would be welcome pending formal termination of their current contracts. Analysts said that his carefully

Mr. Worthington said that an- worded comments reflected Can-Lawsuits have been filed against "raiding" senior staff from the

trading floors of major brokerages.

See CONTRA, Page 4

U.S. Vows to Protect Its Shipping in Gulf

BAGHDAD — An American official warned Monday against attacks on U.S. ships in the Gulf.

"We regard any attack on an American ship as a very serious affair," said Richard M. Murphy, assistant secretary of state for Near Eastern and South Asian affairs. "We will do what is necessary to ensure the passage of our ships."

In Bahrain, Ambassador Sam Zakhem of the United States said the United States would be willing to consider a multinational naval force, possibly including the Soviet Union, to protect shipping in the Gulf.

"It is my belief," he said, "that my government would welcome peace-loving nations like Britain and France and whoever would like to play a constructive role."

Asked if this could include the

vessels was attacked by Iranian boats on May 6, he said: "If the Soviets want to play a constructive role, f believe my government would probably welcome that" The International Chamber of

Shipping in London asked the United Nations in January to con-Iraq is alleged to be attacking Kurdish villages with mustard gas. Page 2.

sider forming a peacekeeping force to escort convoys in the Gulf.

Knwait's official press agency hinted Sunday night the emirate would endorse the idea. Kuwait, which exports all its oil via the Gulf, is negotiating with the United States to register 11 tankers under the American flag to gain the pro-tection of U.S. warships. It has al-

ready arranged to charter Soviet

ankers to carry some of its oil. Mr. Murphy, who was in Bagh-dad as part of a Gulf tour, was asked what would happen if Iran attacked Kuwaiti tankers flying the

American flag. "These will not be Kuwaiti ships," he said. "They will be ships, which in order to carry the American flag, will have to be owned by an American corporation. They ly," he said, "but that might have taken will be ships which have been sold by Kırwait to this American corpocalion."

> Iran has this year stepped up attacks on vessels going to Kuwait because the emirate backs Iraq in its war with Iran.

Iran's naval forces have stopped U.S. ships in the Gulf to check if they were carrying arms destined for Iraq. But none has been reported attacked

Mr. Murphy, who will go on to Knwait, delivered a message from President Ronald Reagan to the Iraqi leader, Saddam Hussein, on been going for six and a half years.



The state of the s Nuns voting Monday in Manila in the election to fill 24 seats in the Senate and 200 in the House of Representatives. Soviet Union, since one of its cargo

Texas Throws Beer Can Out the Driver's Window

By Robert Reinhold New York Times Service

HOUSTON - Another Texas tradition has fallen. Starting Sept. 1, Texas drivers will no longer be able to burtle down the road in their pickup trucks guzzling beer, though their passengers will.

the minitary usted to deaths in election-related violence. In the worst incident, on the southern island of Masbate, five civilians were one of the few who haven't in a state where one of the few wh the "Bubba" in a pickup littered with beer ed with the old Texas macho image," she cans has become almost a caricature.

The bill passed the state Senate and House Despite a tightening of laws in recent by voice vote with no opposition. But that years, 15 states, including Texas, had no laws The bill passed the state Senate and House was only because the legislation was watered as of January 1987 against consuming alcodown, so to speak, in committee, so that it holic beverages at the wheel, although there applies only to the driver. Passengers may are local ordinances against it in many cities continue to obliterate themselves as long as in those states, according to the National the police do not see the driver sneaking a Highway Traffic Safety Administration. Un-

Committee on Liquor Regulation. "Texans: down your drink. sort of pride themselves on personal freedom and feel it's their God-given right to rip up and down the highways with beer can in

In signing the state's first law against
Still, Milo Kirk of Dallas, lobbyist for
drinking alcohol and driving at the same
Mothers Against Drunk Driving, called the time, Governor Bill Clements insisted Thurs- law a "step in the right direction" and vowed

til the Texas law goes into effect, it will still

"The Texas Legislature is not ready to be possible to drive the 3,000 or so miles chief Senate sponsor of the bill, Bill Sarpapass a complete ban on open containers," (4,800 kilometers) from Key West, Florida, iius, a Democrat who represents the Panhan-(4,800 kilometers) from Key West, Florida, said Eric Glenn, chief clerk for the House to northern New Mexico without putting

The other states in which anyone in a vehicle can drink are: Alabama, Alaska, Connecticut, Delaware, Florida, Georgia, Indiana, Louisiana, Maine, Mississippi, Mis-souri, New Mexico, Tennessee and Wyoming. This represents a considerable decrease from 1985, when 26 states had no laws, the National Safety Council said.

Until now, the police in Texas could not arrest someone drinking at the wheel unless he showed signs of intoxication. The new bill provides a \$200 misdemeanor fine if the officer sees the driver take a drink, so there are questions about whether it can be enforced. A more potent bill was opposed by the Wholesale Beer Distributors of Texas. which neither supported nor opposed the final, diluted bill

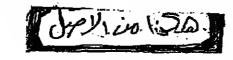
Joel Brandenberger, a spokesman for the drinking beer at the same time.

lius, a Democrat who represents the Panhandie, said this was the strongest bill possible. "Everybody would have loved to have seen liquor banned from automobiles entire-

another two or three sessions Major George King, a traffic enforcement specialist with the Department of Public Safety, was optimistic that, though difficult to enforce, the law would work.

"The real value is that most people are going to be law-abiding," he said, citing the surprising level of compliance by Texans with another disputed new law requiring seat-helt use.

While one tradition has crumbled, the legislature is considering reviving another. A bill would permit. Texans to carry pistols on their belts, as an anti-crime measure. This raises the prospect that Texans will be wielding two lethal weapons on the road; a vehicle Iraqi leader, Saddam Hussein, on and a Colt .45. But at least they won't be efforts to end the war, which has



The Associated Press

JERUSALEM - A divided cabinet debated Monday whether Israel should participate in a proposed international peace conference, but officials said the two sides had come no closer to agreement.

· The coalition government of Prime Minister Yitzhak Shamir and Foreign Minister Shimon Peres is split on the issue, with Mr. Shamir opposing participation and Mr. Peres contending that Israel will miss a historic chance for peace

if it says no.

Mr. Peres has threatened to force early elections if his position is rejected by the 10-member inner cabinet. A deadlock seems likely because the inner cahiner is evenly divided between Mr. Peres's Labor Party and Mr. Shamir's conservarive Likud bloc.

Mr. Peres would not say what was discussed during the four-hour meeting Monday. He said a second session was planned for Wednesday. He is to fly to Washington that day to discuss the issue.

Government officials from both

Likud and Labor said no progress had been made toward agreement on the international conference. They hinted at the possibility of elections.

Two government officials who asked that neither their names nor party affiliations be used said no progress was made Monday and predicted a stalemate Wednesday

"If you ask me about the likelihood of a compromise after this meeting, I'd say it's highly unlikeiy," one said.

Their assessments contradicted earlier speculation that the cabinet was moving toward a compromise that would avert a vote on the plan but allow Mr. Peres to continue contacts on the issue,

Mr. Shamir's aides had said he would present a counterproposal at Monday's session, but officials said he did not do so.

The prime minister said over the At first, no one in Mr. Kara-pour's family of 11 seemed harmed weekend that be had developed a peace plan based on direct negotiaby the explosions, which had erupted not 100 yards (90 meters) from tions with King Hussein of Jordan. the front of his bome. But within

He has declined to give details. Mr. Peres's U.S.-mediated proposal calls for a conference con-vened by the United Nations secretary-general. Participants would include the five permanent members of the UN Security Council -the United States, the Soviet Union, China, Britain and France - as well as Israel, Jordan and possibly other Arab countries.

Mr. Shamir, who has said early elections would not be in the national interest, opposes an international conference because he fears it could leave Israel isolated and open to pressure to give up the occupied West Bank and Gaza

Strip.
As the cabinet ministers met Monday, members of the Labor Party youth movement and the rightist, nationalist Tehiya Party demonstrated near Mr. Shamir's office. Labor supporters carried banners reading "Yes to Peace, No



Yitzhak Shamir, left, and Shimon Peres at the cabinet meeting Monday.

IRAQ

SAUDIA

eyes with a cleansing solution, salv-

dering injections to try to counter

the longer-lasting effects of the gas.

Like many Iranian doctors, Dr.

Albabi, 27, who is from Tehran, is

lending his services to a hospital

By Jonathan C. Randal

Washington Post Service

Omdurman and Khartoum North,

Iraq. He said that since Iraq first than 450.

Iraq Is Alleged to Gas Kurdish Villages

tRAN

ing their faces with cream and or- an offensive called Karbala-10.

near the front lines of the war with killing 33 Knrds and injuring more

In Middle East, Moscow Enjoys a Rise in Influence Soviet Joins UN Anti-Terrorist Pact

Gorbachev Is Shifting Soviet Focus To Moderate Arab Nations, Israel

By John Kifner New York Times Service CAIRO — The Soviet Union has begun a series of diplomatic moves in the Middle East that appear aimed at restoring its influence in the region, which has suffered since President Anwar Sadat of Egypt expelled Soviet military advisers 15

Under Mikhail S. Gorbachev. Soviet policy in the region, once largely focused on such extremist countries as Libya, has shifted to reach out to more moderate Arab

nations and even to Israel. A major Soviet triumph was the reconciliation last month of long-quarreling Palestine Liberation Organization factions, which was largely brokered by Moscow.

Other recent developments in-Open Soviet support for a pro-posed international conference on

started using mustard gas against Iranian officials claim that many Iranian troops on the southern of their soldiers in the Karbala-10

both in Iran and in Iraqi Kurdi- me and I was enveloped in a cloud

stan, where Iranian irregular forces of white smoke," be recalled. Like

have advanced over mountains in Mr. Karapour, Mr. Taheri remem-

chemical weapons known, having been used with devastating effect in

eign diplomats in Tehran confirm,

not new. A United Nations investi-

however, Iraq is accused of using gas against civilian villages as well,

Iraqi Kurdish rebel officials in

when the first gas attacks occurred.

Iraqi planes bave dropped gas on at

least two dozen Kurdisb villages,

Khartoum Presses Refugees to Leave

Thousands, Many of Them Foreigners, Are Rounded Up

contain more than one million resi-

Tehran claim that since April 14, to ttch.

Dr. Albabi makes clear, and for- inside Iran.

after World War L

Middle East peace, which is being pressed by King Hussein of Jordan. · A visit to Moscow by the major

Hafez al-Assad of Syria, during which Mr. Gorhachev, while promising more arms, reportedly urged a less recalcitrant role for the Da-

 Overtures toward Israel even during Mr. Assad's visit — that included hints of reopening diplomatic relations, along with moves to allow more Soviet Jews to earner this month to buy T-69 tanks, 130mm artillery shells, 37mm antiaircraft guns and armored personnel carriers.

He said the purchase had a value of "thousands of millions of baht" but
that China agreed to charge only 4 to 5 percent of the total value. News
reports said the purchase price was about \$10 million. Chinese officials
consider the price reduction a form of assistance to Thailand, said
General Chaovalit.

Military relations between China and Thailand, but are reductions. emigrate from the Soviet Union.

 A warming of relations with Egypt, the major Arah client of the United States in the region, including the easing of repayments of Cairo's old military debts.

The protection of some Kuwaiti oil tankers from attacks by

Iran in the Gulf war, part of a series of moves in the Gulf aimed at the establishment of ties with the most conservative of Arab countries, Saudi Arabia

"One of the great changes in the area in the coming period is going to be the new friends of Russia," said a Western-oriented Arab intellectual in Jordan.

A major factor in Moscow's recent success, in addition to the generally more flexible strategies of Mr. Gorbachev, is an emerging wish in the Arab world to use the Russians as a counterweight to the United State

"Striking a balance between the front two years ago all Iranian doc- offensive, which has advanced as two powers achieves for Egypt the tors had received training in treat- far as 10 miles (16 kilometers) into best position for maneuvering be-Iraci Kurdistan, have also been attween them," the Egyptian newspa-per Al-Ahram said in an editorial Mustard gas is one of the oldest tacked with gas. At Dr. Albabi's special gas treatment ward bere,

there were 17 soldiers hospitalized The editorial, which is known to World War I. Mustard gas is with skin burns and inflamed eyes reflect the views of President Hosni banned by the Geneva Convention and lungs, part of a group of 50 on Warfare that was hammered out that had been exposed to mustard Mubarak, added that striking such a balance was the ideal formula for gas during an attack on May 7 just Egypt because the country's dependence on the United States in pro-"We were sitting around our tecting its economic and security the use of mustard gas by Iraq is camp when suddenly four jets came interests "places it under the mercy overhead," recalled Narwan Ta- of this party.

not new. A United Nations invesugation in 1986 confirmed its use.

But in previous cases Iraq tended to use it only against Iranian troops when its own forces were especially

Overnead, recauce transaction for the played dier, from his hospital cot as his moscow and Washington off against each other earlier this year.

After a sharp increase in Iranian for the played dier, from his hospital cot as his moscow and Washington off against each other earlier this year. pressed at the front. This time, tion of our anti-aircraft defenses. attacks on tankers flying its flag, thile two dived on us.

Kuwait, which has supported Iraq
in the six-year war, asked both superpowers for naval protection.

The Russians responded swiftly. They leased three Kuwaiti tankers bers the smell of garlic, then his so that, as Soviet-flag vessels, they hings felt stifled and his eyes began would be under the protection of the Soviet Navy. The United States Iranian officials are waiting for a is still negotiating a more elaborate plan, under which a holding comlater this month to corroborate pany would be set up to lease up to their claims of continuing Iraqi gas attacks against civilians. half of the 22 ships in Kuwait's tanker fleet to give them similar protection.

The changing attitude in the Arab world is also shaped by resentment of the United States, not only over the recent secret supply of arms to Iran, which is widely seen as a threat to the stability of the Arab world, but over U.S. policy in general, which Arabs widely view as dominated by the interests of Israel.

The major Soviet coup, according to both Western and Arab sources, was arranging the reconciliation in Algiers of Yasser Arafat, the mainstream Palestinian leader. with the rival Palestinian guerrilla factions. Two of such Damascusbased factions, the Popular Front for the Liberation of Palestine and the Democratic Front for the Libcration of Palestine, have had longstanding ties with Moscow.

"The Soviets are the greatest winner in this exercise," said a key adviser to Hussein.

Controller Radar

In Los Angeles

United Press Interne

ritos, it was reported here.

The breakdowns, which iast-

ed from several minutes to as

long as six hours, forced con-

trollers to switch from one trou-

ble-plagued radar system to an-

other, according to documents

obtained by The Register of Or-

ange County and reported by

Called Defective

WORLD BRIEFS

MOSCOW (Reuters) — The Soviet Union said Monday it would join a United Nations convention that commits members to acting to prevent

The convention was adopted by the UN General Assembly in Decem-

ber 1979, about six weeks after the seizure of the U.S. Embassy in Tehran

by Islamic students.

Diplomats said 36 countries had signed the convention. Part of the agreement states that members would punish hostage-takers "by approagreement states that members would punish hostage-takers by appro-

priare penalries which take into account the grave nature of those

Thais to Pay 5% of Cost of China Arms

BANGKOK (UPI) — China is selling arms to Thailand at only 4 to 5 percent of their total value, the commander of the Thai Army, General Chaovalit Yongchaiyut, said Monday, General Chaovalit went to Beijing earlier this month to buy T-69 tanks, 130mm artillery shells, 37mm anti-

Military relations between China and Thailand have warmed following the Victnamese invasion of Cambodia in December 1978. China supplies

Cambodian guerrillas with arms by shipping them through Thailand. Beijing also has said it would help defend Thai territory if Vietnamese forces ever invaded. But General Chaovalit said he did not sign any formal military agreement during his visit to China.

Genscher Calls Reagan Visit a Success

WASHINGTON (AP) — The West German foreign minister said

Monday that he was able to work toward a common affect position on

medium-range missiles with President Ronald Reagan and his aides in

meetings at the White House.

"The objective and the goal that we have been trying to reach for many years," said Hans-Dietrich Genscher, "seems to have come within close reach now — that is, the zero option" to eliminate intermediate nuclear

"This is a great success on the part of Western security policy and the firmness in defending one's own interest," Mr. Genscher said. He said he

hoped U.S. negotiators would be able to reach a global agreement with

the Soviet Union that would also eliminate the 100 medium-range

missiles that are to be left in Soviet Asia and in the United States.

the taking of hostages.

François Mitterrand, right, with Eberhard Diepgen in Berlin.

Soviet Protests West Berlin Meeting

MOSCOW (Renters) — The Soviet news agency Tass accused West Germany on Monday of undermining the four-power agreement over

It said a meeting between President Richard von Weizsäcker of West Germany and President François Mittertand of France in Berlin contravened an agreement with Moscow, Washington and London, Mr. Mitterrand was the first head of state of the three Western military powers to meet a West German president at his official residence in West Berlin.

Moscow considers any formal West German presence in Berlin a breach of four-power agreements. Mr. Mitterrand's visit was designed to reassert French political and military support for the city in its 750th anniversary year. "This step is evidence that Bonn, ignoring the legal position of West Berlin, an independent political unit, treats this city as West German territory," Tass said.

For the Kecord

Twenty Poles abundoned a tour group in Bavaria over the weekend and are expected to seek political asylum in West Germany, the Munich police said Monday.

Three persons were injured early Monday in a bombing at a cultural and administrative center for foreigners in Marseille, the police said. They said bomb experts defused a second device. (AFP)

North Korea, Long in Soviet Camp, Is Said to Be Warming Up to China

By Loren Jenkins Washington Post Service

BANEH, Iran — As Ali Kara-

pour remembers it, he had just left

is home in the Kurdish village of

Bol Hassan near this Iranian pro-

vincial city when he heard the roar

of planes coming over the moun-

pening there were muffled explo-

sions back near his village.

Before he realized what was hap-

By the time he rushed back to his

house there was just a pall of disap-pearing mist and "the smell of gar-

lic." Doctors here say the smell of

garlic is characteristic of the mus-

tard gas that Iraq is accused of

using against dozens of civilian vil-

lages in the mountainous Kurdish

regions that straddle the Iran-Iraq

bours his children. his wife, sister

and mother-in-law began to com-

plain of watering, irritated eyes and

By the time Mr. Karapour had

walked his family to Banch, 12

miles (20 kilometers) west of the

village, seven members of his fam-

ily, including three young children and an 11-month-old baby, were being led like blind people, holding

the belts of those in front of them.

Mr. Karapour took them to the

makeshift hospital for treating gas

victims that has been erected at

The eyes of the seven were swol-

len half shut, streaming tears. The

skin of their faces was red and

bloated. The baby, cried with pain

Banch in a primary school.

whenever she was touched.

itching skin.

By Daniel Southerland BELJING - North Korea appears to be improving its relations

with China after having leaned toward the Soviet Union for several years, according to West and East European sources. The sources said preparations

by the North Korean president, Kim Il Sung, in what appears to be the latest sign of a warmer attitude toward the Chinese. Diplomats said such a visit could come as soon as this month and no later than Party, Prime Minister Zbao August

A Chinese Foreign Ministry spokesman said Wednesday that be could not confirm that Mr. Kim had planned a visit to China.

Diplomats said that Mr. Kim might want to halance more evenly North Korea's relations with China and the Soviet Union and might also seek more Chinese support for North Korea's demand that it be allowed to co-sponsor the Summer Olympics next year, to be beld in

Mr. Kim would also likely seek emization program.

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clarification from the Chinese on a recent U.S. diplomatic overture to- North Koreans in March thal it ward North Korea, diplomats said. was prepared to take major steps to They suggested that Mr. Kim also wanted a personal look at the direction of domestic Chinese politics.

Mr. Kim's last visit to China, a low-key, unofficial trip, was in November 1984. This time, the sources are being made for a visit to China said, Mr. Kim was insisting on an tive was presented to the North official visit

An East European source said Mr. Kim also wanted assurances that when be met with China's acting chairman of the Communist Ziyang, be would be meeting with the man who would ultimately be China's permanent party chief. The paring at great expense.

North Korea is said to have Chinese gave Mr. Kim such assur-

China, which fought on the side of the North in the 1950-53 Korean War, has been encouraging a peaceful settlement of differences between the two Koreas. China needs stability on the Korean peninsula, according to analysts in Beijing, so that it can devote most of its energies to its economic mod-

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The United States informed the improve relations if the North resumed talks with the South and agreed to participate in the 1988 ummer Olympics in Seoul.

"It looks pretty certain that it is force thousands of displaced per-

U.S. State Department officials said last month that the U.S. initia-Koreans through Chinese officials.

Analysts in Beijing said the Unit-ed States would like to see a lessening of Soviet influence in North Korea. Washington, they said, also hopes that North Korea will not disrupt the Olympic Games, for which South Korea has been pre-

agreed in principle to receive a delegation from the International Olympic Committee.

The committee president, Juan Antonio Samaranch, was recently reported as saving that be hoped to send a mission to prepare for a round of talks in July among officials from North Korea, South Korea and the International Olympic

The United States and North Korea have no diplomatic relations and, until recently, have had no official or even informal contacts But in early March, the State Department disclosed that U.S. diplomats were authorized to talk with North Korean officials when they met at diplomatic receptions.

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KHARTOUM — The authorities here, long tolerant of refugees tional 500,000 people are estimated to be here without documents. from other parts of Sudan and East Officials say the refugees are overburdening public facilities and Africa, have begun a campaign to another case of mustard gas," said sons out of this city.

Dr. Ali Rezar Albabi after examin
Khartoum and its sister cities,

cials rounded up 8,000 Sudanese fled to avoid detention.

been fined, the agency said. Other reports say authorities destroyed shantytowns and forced

young men to work on farms. Among the refugees bere are many Sudanese from the south, fleeing the civil war in that region, where Christian and animist blacks have been rebelling against rule by the Arab-dominated central government. Western Sudanese drifted here in 1984 and 1985, when their

lands were seared by drought. The kasha, as the roundup is called here, initially affected about 45,000 foreign refugees as well mainly Eritreans who have fled the

fighting in their region of Ethiopia. Many Eritreans have taken over skilled jobs in the Khartoum area. These jobs were abandoned by Sudanese who took better-paying positions in Saudi Arabia and other

Repeated representations by the missions and the office of the United Nations High Commissioner for Refugees helped stay the removal of about 45,000 refugees, most of them Eritreans, from the capital and its environs.

refugees wherever it chose, reportwarned that the campaign continent.

Partly because of such entreaties, dents, official figures say. An addi- the government postponed any evacuation of foreigners, pending further study.

second UN report to be released

while two dived on us.

Social workers said that many of the estimated 10,000 abandoned increasing lawlessness.

In March and April, local offitoum's streets were rounded up or Sudanese children living on Khar-

said to lack documents, according to the official Sudanese press agen-mat who retired here to take care of cy. Some of those detained have destitute children, said officials impounded his passport in March, in what be felt was a sign of official displeasure with foreign interest in

such matters. "All foreign relief agencies are paying for the Falasha operation," one aid worker said, referring to the U.S.-aided clandestine evacuation from Sudan to Israel of Ethiopian Jews in 1984 and 1985. "Sudanese officials are convinced that we all have ulterior motives beyond our bumanitarian concerns.

The recent roundup in Khartoum led to complaints from refugee sources of police harassment, including beatings and rape.

SANTA ANA, California -But the Sudanese deputy com-The radar used by controllers at missioner for refugees, Fadil Los Angeles International Air-Diyab, said no proof of wrongdoport has broken down nearly ing had been produced despite his once a day since the Aeroméx offer to investigate specific cases. ico disaster in August over Cer-He conceded that the roundup

had "created some negative im-U.S. Embassy, other diplomatic pressions with certain diplomatic missions," but added that "the campaign is not targeted against refugees." Mr. Diyab reflected concerns of

Khartoum's native residents about the refugees, saying that "with the The diplomats, while acknowledging that the government was falling apart, it's only natural to technically within its rights to senie

Local representatives of the UN refugee agency are studying possicould damage Sudan's reputation hie cash contributions to public as a haven in an often intolerant services in Khartoum to ease the hurden imposed by the refugees.

Yugoslav Miners Accept Pact

BELGRADE - Yugoslav miners have won pay increases of up to

several managers, apparently end-ing a 33-day strike. Official reports from Labin, in northwestern Yugoslavia, said the miners there had decided to resume

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work after reaching an agreement on Monday with management. The miners originally demanded

46 percent and the resignations of a 100-percent increase in their minimum wage, special conditions for housing loans, cuts in nonproductive personnel and the dismissal of the mines' entire management. Under Monday's agreement workers are to receive pay rises of 4 percent to 46 percent.

The miners also won the resignations of the mines' technical director, finance director and the secretary of the mines. An institute specializing in work

organization will study manning levels at the mine, where whitecollar workers oumumber miners by 2 to 1. The strike followed widespread

unrest after Prime Minister Branko Mikulic approved legislation in March intended to hold down wages to curb inflation.

Both systems - one installed in 1964 and the other in 1972 are scheduled to be replaced next year.

the newspaper Sunday.

Radar technicians told the newspaper that many of the breakdowns only caused distractions for controllers. Those accustomed to problems with the radar said the breakdowns have not affected their perfor-

mance.
Dick Muckle, the airways facilities manager for the Federal Aviation Administration in Los Angeles, denied that problem poses a threat to sviation safety, adding that difficulties with the equipment have eased since March.

Rate of Serious Crime Rose 6% in U.S. in '86

WASHINGTON - Serious crime in the United States rose by 6 percent last year in the largest in-crease since 1930, the Federal Bureau of Investigation reported.

The 1986 statistics, based on crimes reported to law enforcement agencies throughout the country, showed increases in all offenses

TRAVEL UPDATE

A new taxi-sharing plan for London will go into effect between Heath-row Airport and the West End that will allow travelers to save at least half the present fare of about £16 (\$27), a Transport Ministry spokesman said Air France said it had maintained flights Monday despite a strike by

pilots. A spokesman said enough pilots had rejected the strike, which began Sunday and is scheduled to last until Thursday, to maintain a full Portuguese train engineers staged their second 24-hour strike in two

weeks Monday. London's bus services were paralyzed Monday by a 24-hour strike of crews protesting the government's policy of offering routes to private

This Week's Holidays

Banking hours and government services will be closed or curtailed in the following countries this week because of national and religious

TUESDAY: Bangladesh, Burma, Malaysia, Singapore. WEDNESDAY: Indonesia, Sri Lanka, THURSDAY: Liberia, Malawi, Paraguay, Sci Lanka.

FRIDAY: Denmark, Iran, Paraguay: SUNDAY: Israel.

Source: Morgan Guaranty Trust Co. Reiners.

Malta Nationalists Rejoice, Though Tally Is Incomplete

on both side said the outcome still was not clear.

"At this stage it is too early to predict anything," the Labor gov-ernment's spokesman, Paul Mif-sud, said as ballots from the Saturday election were counted under police guard at a barracks. "In here, where it counts, it's still neck

Louis Galea, the Nationalist Party's general secretary, agreed. "It's too early to say," he said.

Partial results from the first of 13 election districts showed the Labor Party with three seats to two for the Wistin Abela, won one of the La- A victory by the Mationalists wou bor seats.

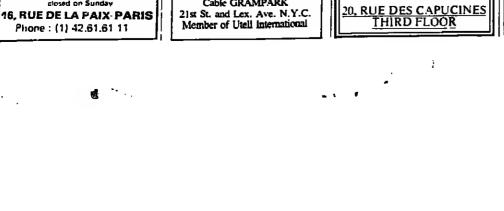
The Nationalist leader, Eddie VALLETTA, Malta -- Support- Fenech Adami, told a crowd of ers of the opposition Nationalist about 1,000 at party headquarters Party on Malta celebrated an expected victory Monday after the general election, although officials until the official result was lossown.

The pro-Western, conservative Nationalists have been out of power since the socialist Labor Party won office 16 years ago.

Although the Nationalists took 51 percent of the vote in the 1981 election, they failed to win a majority of the 65 seats in the legislature. But in this election, the party that wins more than 50 percent of the vote takes power.

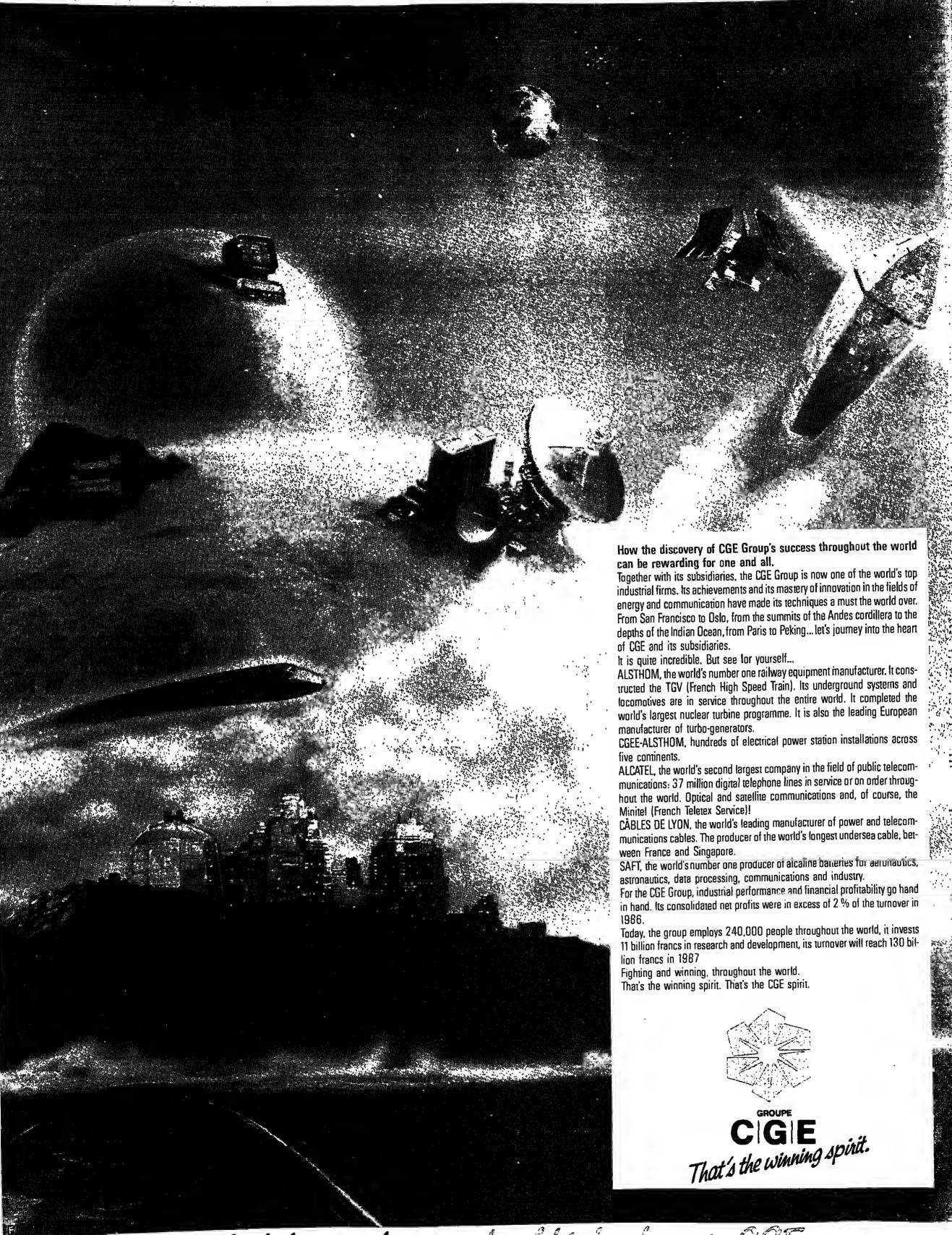
Since Labor came to power in 1971 under Dom Mintoff, the island has set out on a course of Nationalists. Elections officials neutrality and nonalignment as said the deputy prime minister, well as close relations with Libya. torp Malta back toward the West

The second secon





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(Continued from Page 1)

parka given to him at the last moment to protect him from the cold. Before the trial began, 44 Jewish children opened a temporary monument dedicated to the Holocaust

outside the Lyon city hall. The children represented the Jewish children, aged 3 to 17, that Barbie is charged with having removed from a children's home in the village of Izieu on April 6, 1944. and deported to the Auschwitz concentration camp, where they

In front of the stone steps of the Lyon courthouse, two Gypsies held a placard accusing Barhie of deporting 400 Gypsies from the Lyon area to their deaths.

Many French public figures, such as former Health Minister Simone Veil, herself a concentration camp survivor, have expressed the fear that the trial will merely provide Barbie with a trihune from which to sully the memory of the French Resistance and to highlight French collaboration.

These fears have been heightened by pledges from Barbie's lawyer, Jacques Verges, to turn the trial into an accusatory review of the French wartime record. In the opening session Monday. after the defendant identified him-

U.K. Polaris Misfires in Test

United Press Internations

CAPE CANAVERAL, Florida - A Polaris missile with a dummy warhead fired from the British submarine Repulse was blown up hy radio command Sunday.

asked him when he had adopted the

name. He replied that he had taken it in 1951. That was the year he fled Europe with U.S. help for Bolivia, He said he had taken Bolivian nationality under both names in 1937. Bolivian officials have said be was naturalized as Altmann, and his use of a faise identity was one of

the grounds for his expulsion. Early in the proceedings, Barbie told the judge that he wanted to speak in German through an inter-preter. But he answered the first uestions in French and clearly understood the proceedings.

From time to time he looked

around the courthouse at the press gallery and the public gallery, where Foreign Trade Minister Mipriority for extermination in Hitler's attempt to protect what he called "the master race" chel Noir and former Defense Min-

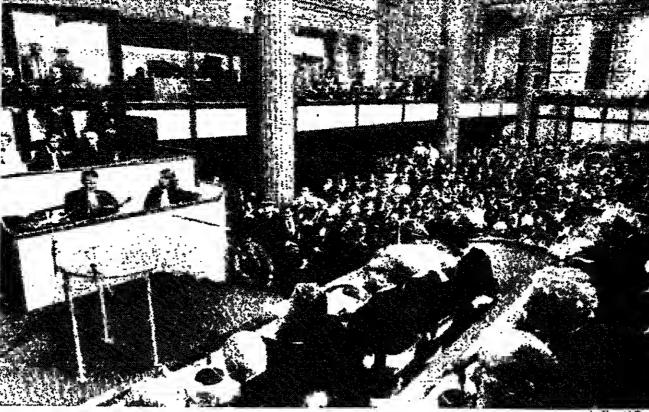
Mr. Cerdini drew lots to choose the nine jurors who will sit with the three judges throughout the trial, which is expected to last at least six weeks. Some court officials predicted a verdict as lete as July 10.

Mr. Verges rejected two of the proposed jurors, both young womand the prosecutor. Pierre Truche, rejected one young man. No reasons were given

sider the proceedings "without hate or evil" as they decide on the fate of shall not reply to these questions." a man who was twice sentenced to death by French courts for specific self as Altmann, Judge Cerdini war crimes in the 1950s.

because of France's 20-year statute arrival in Lyon in 1983. of limitations. Under the new faces possible life imprisonment.

caused one of the 40 lawyers for obersturmführer," or SS commandcivil plaintiffs. Charles Libman, to er. "under the name of Klaus Barseek clarification, Barbie said, "I hie."



Mr. Cerdini asked the jurors. A view of the Lyon courtroom. Barbie's lawyer, Jacques Vergès, is in the front-row box; Barbie sits directly above him. four women and five men, to con-

Altmann had disappeared while These sentences are now invalid Barbie was being searched on his

The prosecutor said, "I under- ber charges framed under the law on stand that the name of Barbie must

A list of about 100 witnesses, 90 Mr. Verges then protested that of them called by the prosecution Bolivian documents in the name of or the civil plaintiffs, was read out. They will describe Nazi actions against Jews and the torrure and deportation of Resistance mem-

Along with the Izieu case, the crimes against humanity. Barbie bevery heavy to carry." But he said major charges against Barbie deal he was satisfied that the defendant with the deportation of 650 people, The question of Barhie's identity was the man who had been 'an mostly Jews, to concentration camps, and the deportation of 86 Jews seized at the Lyon office of the Jews of France Committee.

Barbie's lawyer raised the name of tortured to death. The Moulin case was part of charges brought against Barbie in the 1950s and cannot be included in the new accusation.

Mr. Verges has said that his client will show that Moulin, realizing he had been betrayed by fellow Resistance fighters, killed himself. The first day's session ended

Just 75 minutes into the trial, of the 350 pages of charges drawn Barbie's lawyer raised the name of up by the examining magistrate in Jean Moulin, a Resistance leader the case, Christian Riss. The accuwhom Barbie is alleged to have sation includes the names of all the people Barbie is accused of deport- died in captivity, reportedly after ing or torturing and a detailed account of Barbie's life and career.

led into court, Barbie chatted with

a guard while being handcuffed for with court clerks reading the start the return trip to his prison cell.

CONTRA: McFarlane's Testimony

(Continued from Page 1)

rael had, in fact, shipped 508 TOW missiles, not the 100 to which the United States had agreed, and that as a result of American had been supported by the contrast of the contrast o

as a result an American hostage was to be release Arthur Liman, chief counsel for the Senate investigating committee, asked Mr. McFarlane: "Did there come a time when you received a call from an Israeli representative telling you that as a result, an

American hostage would be allowed to go free?"
"Yes," Mr. McFariane responded. He said the call was between

Sept. 10-11. Was that a very unpleasant call?" asked Mr. Liman.

"It was extremely disappointing," Mr. McFarlane said. "It was a report from Mr. Kimche in Israel that as a practical matter they had run into difficulties with the Irani-an intermediaries." Mr. Kimche said that "the United States could expect one hostage to be released within a couple of days." Mr. McFarlane said Mr. Kimche

had expected all the hostages to he

"Were you asked to play God and choose one hostage?" asked

Mr. Liman said he asked for William Buckley, the CIA station chief in Beirut.

He said he later chose the Reverend Benjamin Weir, a Presbyterian minister who was freed by Moslem extremists in Lebanon on Sept. 14, 1985. Mr. Buckley, it was learned, being tortured.

by prison psychiatrists who said Barbie showed no signs of remorse. Six and a half hour effective secure the re-Earlier in the day, Mr. McFar-Six and a half hours after being after learning that the military ed into court. Barbie chatted with commander of a country near Nicaragua had intercepted the lethal

> Congressional sources identified the country in question as Honduras and said Mr. Reagan's intercession occurred between 1984 and 1986, when the administration was barred from providing military support to the rebels.

Mr. McFarlane's disclosure raised questions about whether Mr. Reagan was more aware than he has indicated of his administration's efforts to arm the rebels.

A spokesman for the Honduran Embassy would not comment on Mr. Reagan's reported request. Robert Suazo Córdova was the Honduran president from 1981 to 1985. José Azcona Hoyo has held the job since 1986.

The Senate Intelligence Commit-Honduras and another Central tended for the contras, a congressional source said. However, the source said the intelligence panel was not informed

about the legality of the shipments, the source said. Mr. McFarlane did not name the Central American country or the

source of the shipment. Mr. McFarlane answered "yes" ing whether the Honduran military commander had seized the weapreject funding for the contras.

The president repeatedly made clear in public and in private that he did not intend to break faith testified.

that we assure the contras of con- and an undisclosed retainer. tinuing administration support, to Mr. Chinn, who Mr. Wallach inhelp them hold body and soul to- troduced to Wedtech and to Mr. gether, until the time when Con- Meese in 1985, received an option gress would again agree to support to buy 75,000 shares of Wedtech

" filte

rebels.

Mr. McFarlane also testified be met several times with an unnamed ambassador who nitimately made a pledge of \$1 million a month to help arm the contras. "ostensibly from private funds." There have been widespread reports that the ambassador was Bandar bin Sultan of Saudi Arabia. The Saudis have

denied giving funds to the contras. At one point, Mr. McFarlane seemed to suggest Mr. Reagan may have personally solicited aid for the contras from the head of state of the same country during a private

meeting two years ago.

Although Mr. McForlane identified the nation involved only as "country two," he did refer in his testimony to his preparations for a visit by King Fahd of Saudi Arabia. Mr. McFarlane said the visit of

the foreign leader included a pri-vate session with Mr. Reagan. Mr. McFarlane said he learned a day or so later that donations from that country would be doubled to \$2 million a month.

At a White House briefing, Mr. Yes," Mr. McFarlane said. He Fitzwater said that while Mr. Reagan had sought to rally support for the contras, "Let no one believe that the president was involved in asking the staff or anyone else to provide illegal support for the freedom fighters.

Mr. McFarlane testified that be was stunned when Lieutenant Col-onel Oliver L. North told him in May 1986 that money from the Iran arms sales was being diverted to the contras, but that he did not pass along the information because he was no longer a government official.

Mr. McFarlane learned about the scheme on the tarmac of an Israeli airport after he and Colonel North returned from a failed mission to Tehran to swap arms for hostages. He said Colonel North gave him the information to cheer him up after the unsuccessful trip.

MEESE: Special Prosecutor

(Continued from Page 1) ings with individuals associated with the company."

Mr. Burns wrote that "in 1981-82, Mr. Meese's office in the White tee had been informed by the ad-ministration of several seizures by tain for Welbilt a certain contract with the army; we understand that American country of supplies in. Mr. Nofziger's relationship to this contract is currently being investigated by your office."

In addition, Mr. Burns wrote, "Mr. Nofziger continued to have a that Mr. Reagan had interceded to financial relationship with Welobtain the release of the weapons, bilt/Wedtech, and Mr. Meese has The committee raised no questions had personal and/or financial relationships with two individuals, E. Robert Wallach and W. Franklyn Chinn, who like Mr. Nofziger, received both professional fees and stock from Welbilt/Wedtech."

Mr. Wallach, a longtime friend to a question from Mr. Liman ask- of Meese, is a San Francisco lawyer who began advising Wedtech in 1981 and who enlisted Mr. Meese's ons because he felt "a license" to do belp getting a White House review so following a congressional vote to of the company's difficulties with the army. Sources say Mr. Wallach got 5640,000 in Wedtech stoo

legal fees of \$360,000. Mr. Nofziger, another friend of with the contras," Mr. McFarlane Mr. Meese who left the White House in January of 1982, also did "He directed that we make con- lobbying work for Wedtech on the tinued efforts to bring the move-army contract along with his part-ment into the good graces of con-ucr, Mark Bragg. They received gress and the American people and close to \$700,000 in Wedtech stock

stock at below-market prices when At the White House, Marlin he became a Wedtech consultant.

BRITAIN: June Election Called

(Continued from Page I) ed Britain into haves and have-

Mr. Kinnock said Britain's booming consumer economy, low inflation and declining interest rates had been achieved at the price of industrial decline and rising unemployment.

lion, or 11 percent — compared with 1.1 million, or 4.3 percent, when Mrs. Thatcher took office. "This election is about saving

our country from industrial de-cline, social division and the destruction of community services," Mr. Kinnock said. He challenged Mrs. Thatcher to a debate, which the Tories promptly declined.

The centrist alliance of Social Democrats and Liberals condemned Mrs. Thatcher for catering

would also reject the "state social-ism which Mr. Kinnock offers." David Owen, leader of the Social Democrats, said the alliance offerred a "government committed to of Iligan was stopped while opposi-both the competitive market econ-tion candidates were winning and omy and a concerned, compassion-ste society which would unite the

its hopes of displacing the Labor Party as the main opposition force. Still, a dip below 38 percent in Party as the main opposition.

Still, a dip below 38 percent in the total Conservative vote could cost Mrs. Thatcher a clear majority and open the way for her opponents to form a coalition. That is second as the major risk she takes military bases in the Philippines, which expires in 1991.

By law, Mrs. Thatcher could have called an election as late as July 7, 1988. In deciding to go to the voters with 13 months left in her five-year term, she was re-sponding to election fever in Parliament and a series of good political and economic omens

These were capped by a strong Although government figures show the unemployment rate having decreased for eight consecutive months, it is still more than 3 militaries trates and record trading in the stock market.

> **AQUINO:** Initial Returns

(Continued from Page 1)

year. Congress was abolished when President Ferdinand E. Marcos imposed martial law in 1972.

On Monday, former Defense Minister Juan Ponce Enrile, an opto wheeler-dealers. But David Steel, the Liberal leader, said voters position candidate for the Senate, accused the government of fraud. In a radio interview, he charged

that counting in the southern city ballots were transferred elsev

Talk of Labor and the alliance working together to deny Mrs.
Thatcher a majority in a "hung has waned as the alli-ously for her candidates. Senate control of the control o support is vital for passage of her legislative package, which is ex-pected to include land and eco-

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Prosecutor Reviewing Testimony by Abrams About Aid to Contras

By Philip Shenon New York Times Service

WASHINGTON - Lawrence looking at congressional testimony ment officials to find out if they not believe his demals. made false statements about aid to the Nicaraguan rebels, according to federal investigators.

Mr. Abrams has come under scrutiny, the investigators said, be- Oliver L. North, the former nationcause of his testimony denying goverument involvement in the private aid network, and because he initialthe rebels, known as contras, from the sultan of Brunei.

Federal investigators said Mr. Walsh was also reviewing statements made to Congress by Robert C. McFarlane, President Ronald Reagan's former national security adviser, and by officials of the Cen-

tral Intelligence Agency.

Mr. McFarlane began testimony Monday before the special congressional committees investigating the Iran-contra affair.

Mr. Walsh's intentions are oot clear. While it is illegal to lie to cuted. Proving that testimony was intentionally false can be difficult.

One federal investigator suggested that Mr. Walsh seemed likely to One federal investigator suggested that Mr. Walsh seemed likely to use evidence of false statements to hring conspiracy charges. The federal investigators said Mr. statements could then be described as acts that furthered a conspiracy to violate congressional restrictions On contra aid.

American policies at the State Department, recently obtained a pri-vate lawyer, W. DeVier Pierson, to help him prepare for investigations by Mr. Walsh and Congress. Mr. Pierson said his client had oot been contacted by Mr. Walsh's staff.

Lawmakers have repeatedly

questioned whether Mr. Abrams's congressional testimony about coo-WASHINGTON — Lawrence tra aid was accurate and complete.

the Iran contain prosecutor in Although Mr. Abrams has denied the Iran-contra affair, is closely involvement in the covert and apby Elliott Abrams, an assistant sec-the contras in 1985 and 1986, some retary of state, and other govern-members of Congress say they do

> They note that Mr. Abrams, an acerbic official who seems to relish battles with Congress, had frequent contact with Lieutenant Colonel al security aide who coordinated the contra support network.

Mr. Abrams has also been chairly failed to tell of his personal effort man of the Restricted Interagency to solicit a \$10 million donation for Group, an informal group of government officials, once including Colonel North, who helped coordinate contra policy. Lewis A. Tambs, who was ambassador to Costa Rica until January, said the group's core officers, including Mr. Abrams, directed him to lend sup-port both to the contras and to the private Americans who were sup-

plying them with arms. "I didn't believe Abrams then and I don't believe him now," said Representative Peter H. Kostmayer, Democrat of Pennsylvania, a member of the House Foreign Af-Congress, the crime is rarely prose- fairs Committee, which has frequently heard testimony from Mr. Abrams. "I think be's up to his

> Walsh would review Mr. Abrams' appearance last Nov. 25 before a closed meeting of the Senate Intel-

isence Committee That testimony has not been made public, but a committee report on the investigation said Mr. Abrams was asked about "thirdcountry support" for the contras. He failed to mention soliciting \$10 millioo from the sultan of Brunei

last summer to aid the contras. At about the same time, Mr. full story

U.S., Bolivia in Joint Exercises No Anti-Drug Operations Planned This Time, Officials Say

By Tyler Bridges

Washington Past Service
LA PAZ — U.S. and Bolivian troops began joint maneuvers Monday in a region where drug officials say there are many cocaine-processing laboratories.

A U.S. Embassy spokesman, Mark Jacobs, denied local reports that the 300 troops from the Southern Command, which is based in Panama, came to Bolivia to take part in raids against cocaine traflickers.

There's no connection between these exercises and any drug interdiction effort" he said.

Elliott Abrams

"He said he did not feel he had

been asked a direct question and

did not realize until shown the transcript that his statements clear-

ly left a misleading impression,"

A congressional official with

knowledge of the committee's in-

mitted to gaps in his testimony only

after he was confronted with the

An associate of Mr. Abrams said

the account was inaccurate. It was

original effort to clear up the mis-

understanding over the testimony.

mony, the associate said, Mr.

Shortly after the November testi-

the report said.

Other sources said the U.S. Abrams was quoted publicly as troops were in the area to frighten saying that "nobody in this build- drug traffickers. ing had any idea of any contribu-

"It's oo coincidence where tions coming from a foreign gov- they've chosen to hold the maneu- Bolivia's anti-drug police. vers," a diplomat said.

The joint maneuvers are sched-In testimony before the Senate however, Mr. Abrams was placed ern provinces of Beni and La Paz. under oath, acknowledged the Bru-They have drawn intense scrutimei donation, and apologized "for my because 160 U.S. troops backed substantially reduce" trafficking. withholding this information," the by six, belicopters speot three committee's report said. months in Beni last year belping Bolivian police conduct drug raids.

The operations provoked strong protests by the country's leftist po-litical parties, which considered them a violation of sovereignty.

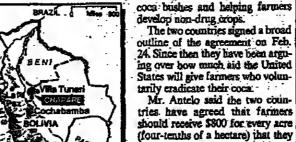
The raids also caused prices for

The program calls for destroying
cocaine laboratories, eradicating protests by the country's leftist po-



Colonel Freddy Reyes, who heads

Bolivia is second only to Peru as a supplier of cocaine to the United States. The agreement is said to foresee a three-year program cost-



Bolivia has asked the United

States to finance the entire amount

while U.S. officials have said the

Congress will not agree to spend

Coca farming is legal in Bolivia.

but the National Congress in La

Paz is expected to approve legisla-

tion in August outlawing it except

in traditional growing areas.
Bolivians have chewed coca

leaves for centuries to ward off

hunger and cold. They have been

planting coca to be processed into cocaine only in the past 15 years to

meet the using U.S. drug demand.
The legislation would prohibit

coca growing in the Chapare, a

small region that Colonel Reyes

said produces two-thirds of the

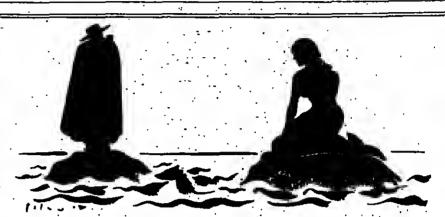
country's 60,000 acres of coca.

that much, Mr. Antelo said.

coca leaves to plummet as drug traffickers fled, leaving coca farmers with no one to buy their leaves. But prices have rebounded, said

To renew the fight against the flourishing cocaine trade, the Unit-Intelligence Committee on Dec. 8, uled for 11 days in the northwest- ed States and Bolivia are negotiating a program that Information Minister Herman Antelo said "will

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SANDEMAN FOUNDERS RESERVE PORT No Longer Reserved To The English.

vestigacion said Mr. Abrams ad-Outbreak of Legionnaires' Disease after be was confronted with the transcript at a meeting with sena- Strikes 200 at Soviet Rubber Factory

MOSCOW - More than 200 Mr. Abrams, he said, who made the workers at a rubber factory in original effort to clear up the missouthern Russia were stricken with Legionnaires' disease, which doc-tors had thought might be an out-break of AIDS, the official daily newspaper Izvestia has reported.

Ahrams went to his superiors at the tion, and, without prompting, went ple in the northern Caneasus leads to death, sometimes by pneu-back to the committee to tell the Mountains, are back at work al-monia, through a heakdown of the though under medical observation, body's immune system.

the paper reported. But it did not say when the outbreak occurred or indicate whether any of the workers had died from the disease or bow many still were hospitalized.

Legionnaires' disease, a form of pnenmooia cootracted from breathing in bacteria from contammated water, is often fatal. AIDS. State Department, received permis-sion to disclose the Brunei dona-mavir, a city of about 100,000 peo-syndrome, is a viral disease that Most of those who fell ill in Ar- or acquired immune deficiency Mountains, are back at work al- monia, through a breakdown of the

Help for Brazil's Poorest Poor

Job Program Aids a Lucky Few Impoverished Teens

New York Times Service RIO DE JANEIRO - For two months earlier this year, Brazil's fantasy world of televisioo soap oreras and slick advertising was briefly interrupted each evening by cheaply made public service messages in which nervous black teenagers from a government welfare agency asked viewers to give them a chance to work.

They were disturbing ads, the kind that really make you think," said Cristina Miglioli, who runs a delicatessen in the Copacabana district of Rio de Janeiro. "People have to do their bit if things are ever going to get better here. We ed to take a chance."

A few weeks later, she hired Thomáz Alcantara, a wide-eyed, slight-ly built youth. He was abandoned by his mother when he was a month old and has spent the 17 years of his life in government orphanages, pre-paring for what seemed certain to be a life of hardship and unemployment on the margins of society.

Under the experimental employment program sponsored by the Foundation for the Welfare of Minors, referred to by its Portuguese acronym, Funabem, Thomaz and 300 other teen-age boys have found campaign. They now at least stand a chance of supporting themselves when they are thrust into the world

at the age of 18 by the agency.
They are among the lucky few.
Nationwide, some 550,000 minors are wards of the state. Even though they are often given vocadonal mechanics, the fact that Funabem runs reform schools for juvenile delinqueots as well as boarding schools for oeedy children means that many companies are reluctant

Those who have the social con-

PARIS - U.S. Energy Secretary

John S. Herrington, citing the risk of a future oil-supply crisis, called

on other Western industrialized na-

tions Monday to move faster in

building emergency oil stockpiles.

His urging was countered, how-

ever, by some European officials, who said more emphasis should be placed on cutting oil demand and

improving energy efficiency.

Mr. Herrington said President

Ronald Reagan was committed to a more rapid buildup of U.S. emer-

gency stocks, but that some other Western countries were lagging be-

"A credible strategic oil stock-

pile serves as a deterrent to those who might be tempted to use oil as

a political weapon," Mr. Herring-ton told energy ministers from the

20 other members of the Interna-

The ministers met to discuss a

Mr. Herrington said that while

the countries as a group were meet-

tional Energy Agency.

energy security.

U.S. Presses West to Speed

Building of Oil Stockpiles

companies interested in taking part ehildreo have committed any crime, but they all carry that stig-

Yet even Funabem's wards, who are fed, clothed and educated until they are 18, might be considered fortunate compared with the esti-mated 36 million Brazilian children

'A child who is small, black and poor is by definition thought to be dangerous.

> --- Marina Bandeira, Welfare official

whom the government describes as "needy." Of these, around 7 million have lost all or most des to their families and live or work on the streets of São Paulo, Rio de Janeiro and other large cities.

They too suffer from the stigma that links street children and street crime in the minds of many middleclass Brazilians. And since most poor Brazilians are black and most blacks here are poor, they are also victims of racial prejudice.

"A child who is small, black and poor is by definition thought to be dangerous," said Marina Bandeira. the president of Funabem, noting that over 90 percent of the children in the care of her agency are black. "The child then becomes 'the prob-lem' when the real problem is the social structure that exists in Bra-

ing the agency's goal of holding oil stocks equal to at least 90 days of

domestic consumption, some na-

tions were falling short. He did not

mention any countries by name,

but Britain and France are believed

to be among a small number of members that fall well below the

Nicolas Mosar, the energy com-

missioner of the European Com-

munity, told the meeting that too

much emphasis was being placed

on building oil reserves for use in

an emergency and too little on cut-ting oil demand.

"The more relaxed energy situa-

tion we have today is largely as a result of our ability in curb our demand for oil." be said, adding

that it would be through this con-

tinued active pursuit "we can hope

to avoid ever having to use our

stocks in a fuel crisis

90-day figure.

Forty-seven percent of Brazilian first, 'Are they delinquents?' "said schoolchildren never go beyond Angela Maria Vidal, who visits first grade, and millions of preteens schoolchildren never go beyond are expected to work to help susin the new program. "In fact, only tain single-parent families. Io the about 5 percent of all Funabem countryside, children pick the crops, but they are most visible in the major cities, where they gather to wash cars, clean shoes, sell fruit

Rather than trying to deal with the problem of needy children by building more and bigger welfare institutions, however, Brazil's new civilian government has decided to address their main concern - their need to work.

"A child is much more likely to be accepted by his family if he vio Ramazzini, who is in charge of

Funabem's employment program. Because Brazil's Constitution prohibits children under the age of 2 from working, the hundreds of thousands of working preteen girls and boys fall outside the scope of the government's plans.

In the past, companies were re-luctant to hire unskilled teen-agers because the law required that they be paid as adults.

Last December, though, Presideot José Sarney signed a decree that, once backed by legislation to put it into effect, will oblige all companies to hire minors on a quota set io proportion in their total staff. As an incentive, companies will be allowed to pay them half the minimum wage for half a day's work and will out be required to make social security contributions.

The positive response from companies in Rio de Janeiro to Funabem's "Hire a Minor" experiment has encouraged officials to extend the program to other states.

"We've been overwhelmed by the demand, which has forced us to organize ourselves properly," Mr. Ramazzini said. "Now we're also able to serve as an employment bureau for youths who are not from

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wide range of energy issues, includ-AUTHORS WANTED ing the longer-term effects of the 1986 oil price collapse on Western

AREN'T YOU WORTH EXTRAS LIKE A PRIVATE TERMINAL?

For Anglican Church, Time of Empty Pews

By Francis X. Clines

New York Times Service FERRYHILL. England - As usual, the Church of England's attendance this oright spring Sunday morning was somewhere below 3 percent of the population, anemically, alarmingly low in the view of the bishop of Durham, who presided from the pulpit of St. Luke's

"All nations know His church is hearth and home," the congregation sang out strong here in the rustic North, vying with the singing of birds and the cry of a handsome newborn bahv.

For this oution, such hearthcomforting knowledge of church has ocen slipping relentlessly for the last three decades, in which nearly 2,000 of the 16,000 Anglican churches have been closed because of disuse. Attendance has fallen to among the lowest of avowedly

ETA Attacks French Firm

URRECHU, Spain - A police robot detonated a bomb left outside a showroom displaying French cars in this Basque town Monday. the police said. They said the separatist guerrilla group ETA, for Basque Homeland and Liberty. claimed responsibility for the attack on a Talbot showroom. The explosion broke the eardrum of a

ly in the position of a historical E. Jenkins, sipping tea after officimore precious baptism and confirmation services.

"It is not now the case that England is a Christian country," he than that in the area of social is-

ating at some of the church's ever what critics depict as a hlurred, centrist, amorphous enterprise. Actually, the church of recent vears bas seemed far more direct

ance party in the wilderness" -

With only 3 percent of the people regularly attending the Anglican Church, 'It is not now the case that England is a Christian country.

- Bishop David E. Jenkins

said. He pointed to the attendance figures and rather gently predicted that some day disestablishment will prove inevitable — that the history Christian countries.

"The Church of England is large"The Church of England is largeof Henry VIII will be unraveled

more become separate. This was a typically hold, contentious observation from Bishop Jenkins, who is one of the most outspoken cleries in the church and whose views are often headlined as controversial in the press.

But it seems surprising that the views of any churchman could ever much rankle a public in which 97 out of 100 do not bother with the established church, except perhaps at Easter and Christmas.

In contrast to the old bromide woman who lived in the building. that the Church of England was the virgin birth and the empty tomb of simply there to exist."

MONDAY

TUESDAY

FRIDAY

sues at least if not doctrine. The bishops have become much more outspoken toward government. which by law still retains theoretical control over the church through parliamentary veto power.

The bishops' strong criticism of inner-city problems, welfare cutbacks and pro-business economic policies drew a protest from Prime Minister Margaret Thatcher two years ago that the church was becoming partisan.

heloful.

Some will never forgive his open questioning of the doctrines of the

DEPART PARIS

Tory Party at prayer, the current Christ, saying Jesus's divinity was hangover," said the bishop. David joke is that it has become "the Alli-not dependent on their literal truth. But others will never forget a dramatic speech he made last year before the church synod. In it, he defended his position by warning that people have trouble comprehending the simplistic notion of a selective, miracle-working. "laser

> northern country poised between palette-perfect hills and depressed old mining communities, the hish-op, who is 62, seems more a harassed church manager in hard

battle sword is. More relevant to his needs are

how to plan for the drastically shifting church when his staff of Church leaders nave not make the complain that the views of such ly task of stretching 298 clergymen across the diocese's 308 churches. "Management is foreign to the

DEPART LONDON 1930 ARRIVE TOKYO 1510

DEPART LONDON 1930 ARRIVE TOKYO 1510

WEDNESDAY DEPART LONDON 1930 ARRIVE TOKYO 1510

"The Church of England is ship of Soweto.

2040 ARRIVE TOKYO 1525

beam" God who failed to prevent

the Holocaust catastrophe. Here, however, in the vibrant times than a quotable iconoclast.
"I'm still at it." he said of his 33

ears in the clergy.
The diocese of Durham has come a long way from medieval times when its hishop ruled as absolute church and secular master by dint of doctrine, hattle sword and prison dungeons. Church files now are kept in the dungeons at Auckland Castle, the 75-room fortress where the bishop resides, and Bishop Jenkins only vaguely recalls where his

JOHANNESBURG - Winnie Aandela, the anti-apartheid activist and wife of the imprisoned nationalist leader. Nelson Mandela, is church," he said, describing a che-rubic sort of establishment fatalbeing criticized for building a large bome for herself in the black town-

The five-bedroom, two-story said, "Some say it is right that the

By William Claiborne

house, which reportedly will have a swimming pool and elaborate gar-others say that it wrong for leaders dens, is nearing completion on a large lot near thousands of tiny two- and three-room matchbox houses of the kind that most of

Winnie Mandela is defending her right to build this two-story home in Soweto, the black township near

zine, Frontline, describing Mrs. Mandela as "the new royalty,

future president should live so, and others say that it wrong for leaders relatively upscale section of Soweto who represent the poor to live like called Beverly Hills, not far from

or in whose name is it owned? They Soweto's 2.5 million blacks occupy. The leftist Johannesburg magaask where is the money coming Mrs. Mandela said that she is

building the house with royalties from her biography, "Part of My Soul Went With Him," which is banned in South Africa, and with money from a trust fund set up by

> Mrs. Mandela, in her statement, reacted to the press criticism by saving that "enemies of the people"

> are attempting to divide blacks. She added, "There are concerned fellow South Africans who believe that our leaders deserve even better than what I have done for Mandela. They formed a trust which has

> The Johannesburg Star, describing the new house as "fit for a queen," gave a room-by-room description of five upstairs bedrooms with attached bathrooms, a family room, living room, conference room, dining room, two studies and

The price has not been disclosed.

Winnie Mandela Building Luxury Home

the small brick house where Mrs. It added that Sowetans ask Mandela now lives with her younwhether this is to be a State House, gest daughter. Zinzi. Blacks are not allowed to own property in the townships, but if they can afford it, they may build

their own houses on property obtained through a 99-year lease. In addition to the small Beverly Hills neighborhood, Soweto has a section called Protea North in which scores of well-to-do blacks are building houses costing more than \$100,000. Some of the owners are black entrepreneurs and others

with affirmative action programs. It is not uncommon to see Mercedes-Benz sedans parked in front. and the children frequently attend integrated private schools in the white suburbs of northern Johannesburg or private schools abroad.

executives working for companies

However, the majority of Soweto houses consist of two or three small rooms crowded with extended families of 12 or more people, with outdoor toilets and only fairly recent electric service. Rent is about \$20 a month, and utilities add another \$30 monthly.

SATURDAY DEPART LONDON 1930 ARRIVE TOKYO 1510 built Mandela's house." SUNDAY DEPART PARIS 2040 ARRIVE TOKYO 1525 SCHEDULE EFFECTIVE FROM JUNE 1st. EVENING DEPARTURE TIMES ALLOW EASY CONNECTIONS FROM OTHER EUROPEAN CITIES

AT THE END OF ONLYONE AIRLINE FLIES NON-STOP-TO TOKYO. 6 TIMES AWEEK.



Graham Greene Says He Visited Philby in Moscow

LONDON - Graham Greene, the British novelist, has been quoted as saying he has exchanged letters and met in Moscow with Harold (Kim) Philby, the former British intelligence officer who spied for the Soviet Union for 30 years. Asked if he could forgive his

old friend for "having lived such a lie," Mr. Greene told the British press he could because Mr. Philby had been fighting for a cause he believed it.

"He wasn't doing it for money," Mr. Greene said. "And as for living a lie, how many lies is Reagan living? Who doesn't

tics? He knew Mr. Philby from World War II when he did intelligence work in Sierra Leone and Mr. Philby was his controller in London.

Mr. Philby, who at one point headed Britain's anti-Soviet intelligence operation, left the British intelligence service in 1955. He then worked as a journalist and continued his spying until he fled to Moscow in 1963.

Mr. Greene, who wrote an introduction to Mr. Philby's 1968 autobiography, "My Secret War," said he began to correspond with him in the late 1960s. He said he met Mr. Philby, 75, in his Moscow apartment in September while



Harold (Kim) Philby

visiting the Soviet Union at the invitation of the Soviet Writers Union.

The author, 82, returned to Moscow in February for a disarmament conference and met Mr. Philby again. Mr. Greene said Mr. Philby was in "good shape" at their second meeting. having recovered from an illness for which he had been hospitalized. He did not say what the illness was.

Emmanuel Vitria Dies; 1968 Heart Recipient

MARSEILLE — Emmanuel Vi-tria, who lived a record 18 years with the heart of another man, died Monday at age 67. He died two weeks after he was

admitted to a hospital in Marseille with dilation of the heart's ventrical arteries. On Nov. 27, 1968, Mr. Vitria

received the beart of a 20-year-old sailor, Pierre Ponson, who was killed in a road accident. He told an interviewer in 1975: "I get an extra thrill out of every-thing I do. I am the happiest man in the world."

He became the longest-survivir heart transplant patient in 1977 when an American woman who had been operated on a month be-fore him died of a heart attack.

Mr. Vitria, a fast-talking jaunty man, ignored his doctors' recommendations to give up smoking and drinking. But out of respect for the donor's parents, he turned down a Mr. Vitria had s large cash offer to smoke a cigarette in a television advertisement. Dr. Christian Barnard, the South African surgeon who pioneered

heart transplants in 1967, once met

Mr. Vitria and expressed astonishment at his lifestyle, which included a daily intake of alcohol and an appetite for rich food Mr. Vitria's doctor, Dr. Raoul Monties, said Mr. Vitria's endurance was an important and encouraging development for cardiac sur-

gery and the donation of body

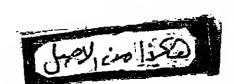


"He was the first to show it is possible to live for such a length of time with someone else's heart,"

Mr. Vitria had suffered illn unrelated to his transplant, before he was bospitalized last month. In 1981 he tripped over a paint can, fell down two flights of stairs and broke an arm and a leg. He was operated on, and his donor heart bore the strain of an operation un-

der anesthesia. He left the hospital after 42 days.

The only time he ever admitted to heart strain was when he went to watch his favorite team, Olympique Marseille, play soccer. "It really gives me heartache when they play badly," he said.



ARTS/LEISURE

Gil Evans: Still out there, making modern music.

Lone Arranger's European Tour

By Mike Zwerin International Herald Tribune

PARIS—Gil Evans helped create the big band sound of the 40s and continues to create it today. He has been called "The Lone Arranger." "Doke Ellington's son" and his name's apt anagram "Svengali." Evans is celebrating his 75th birthday tomorrow by beginning a European tour at the Hammersmith Odeon in London, with Van to happen. Morrison, Steve Lacy, Flora Purim and Airto Moreira as guests.

His 15-piece band has been a Monday fixture in New York's sil for more than four years. Although the club is small and the pay minimal, regular members have included such stars as John Abercrombie, John Scofield, Ion Faddis, Jaco Pastorius, George Adams, Hiram Bullock, David Sanborn and, last month, the Po-

The music depends oo who shows up, and Evans may not know wbo until they arrive. Like Ellington, Evans is a casting director more than a disciplinarian — he affects the music by his presence. He chooses musicians for their flaws as well as attributes. Once Billboard polls in the "sweet band" there is mutual trust, they are more category. Debussy flirted with

or less let loose. 'We don't even need written nusic anymore," Evans told Down

the players not to be terrified by the vagueness. If it looks like we're tee- The sound bung like a cloud." tering on the edge of formlessness, somebody's going in be so pan-icked that they'll do something about it. I depend on that. If it has to be me, I'll do it, but I'll wait and wait because I want somebody else to do it. I want to hear what's going

The first thing you notice about him are his big ears, like radar dishes. The stone-gray hair frames a craggy face that somehow defies chronological age. Evans, who once called convenience "the worst addiction in the world," personifies the dictum; "Insecurity is the secret of eternal youth."

Born in Toronto on May 13. 1912, he moved to Southern Calilice star Sting singing "Angel," fornia, where he worked as a pia"Stone Free" and other Jimi, Hennist and learned the arranger's drix material in the band's library. craft. He led his own band in Balboa from 1936 to 1939 and remained as arranger when Skinnay Ennis took it over to play the Bob Hope radio sbow.

> In 1941 he went to New York to write for the Claude Thornhill orchestra, which won two successive Charlie Parker on Evans's version of "Yardbird Suite" (featuring Lee Konitz). As Evans describes it, "Everything — melody, barmony.

be used to distract from that sound.

became musical director of the historic Miles Davis "Birth of the Cool" nonet in 1948. In the '50s it evolved into "Porgy and Bess" and series of classic big band albums cian say anything bad about Gil. ess" in the '60s and '70s, "Svengali" transmuted Jelly Roll Morton's 'King Porter Stomp," Bix Beiderbecke's "Davenport Blues," Dizzy Gillespie's "Manteca," Kurt Weill's "Bilbao" and John Benson Brooks's "Where Flamingoes Fly" into hanging clouds of sound. The clouds flew into electric storms in 1974 when he explored the symphonic implications of rock on the album "Gil Evans Plays Jimi Hen-

righted and although his was widely reproduced in film music (James Bond movies, for example), commercial jingles and by other bands, Evans basically lived from his U.S. once admitted that his New York senior citizen's public transportation pass came in handy. More retional Endowment for the Arts grant and soundtracks for "Absolute Beginners" and "The Color of

or I strike a chord and away we'll rhythm—was moving at minimum Money," but, still, his 75th birth-go, improvising ensembles and everything for 10 or 15 minutes. I tell create a sound, and nothing was to ed States, and it is a Frenchman who is writing the first biography of Evans. Laurent Cugny, a bandleader and arranger, who plans to The sound matured when Evans finish his book next year, calls him "an angel. I can't think of a better word. He talked to me for hours about bundreds of musicians and "Sketches of Spain," featuring Da- he hasn't a bad word to say about vis, Evans's only hit records. On a any of them. I never heard a musi-

> "The only people he's had problems with are record producers. He calls them greedy and they accuse him of being an inefficient perfec-tionist. Ironically, his music is rarely perfectly executed. Like Ellington's, it does not require perfection.' When he tells you about his life, you begin to see be's DOONESBURY always been a victim of the system. For example, he received no royal-ties for 'Sketches of Spain.' He wanted to record with Louis Armstrong, whom he worshipped, but it never happened. And Jimi Hendrix's death ended discussions for a joint project,

"Gil keeps talking about all the things he couldn't do, but when you Social Security check for years. He step back and look at his life you realize that he has somehow overcome everything. He is not a loser but the ultimate winner. He's still cent recognition has included a Na- out there making modern music." Gil Evans tour: Britain, May 13-16; France, West Germany, Norwa

and Switzerland, May 18-30.

Lacroix: A Parisian in Dallas

N EW YORK — Christian La-croix, the new couture designer on the Paris scene, has not shown a collection yet, but he is being courted right and left by the American retailing industry.

During a recent 10-day trip across the United States, he was wined and dined by all the major specialty stores and shops, including Saks Fifth Avenue, Blooming-dale's, Bergdorf Goodman, Neiman-Marcus, L Magnin, Barney's

HEBE DORSEY

and Martha. "They haven't seen a thing yet," Lacroix marveled, "and they all want to sign me up." Besides the restricted, elitist couture collection to be shown in July in Paris, where he has opened up in a town house in Rue du Faubourg Saint-Honoré, he will offer two lines: a pre-couture and a ready-towear. Pre-couture will be a special deluxe range. "It corresponds to. Jean-Jacques Picart, and the com- means nothing if it is not made Paris, and the stores are most excited about this line."

\$4,000); and pre-couture's prices will start at around \$2,000. However, the ready-to-wear will be much more affordable, with nothing over 3.500 francs (\$600).

Pre-couture will be closely tied to couture "both in spirit and shapes. It will be both traditional and huxurious. Ready-to-wear will follow the technique of mass production," he added. "It will be simple with pretty fabrics and colors but not

too serious." Lacroix was traveling with his business partner and image maker Even the best European collection

Lacroix goes west for "a little bit of show-off."

the American mentality and firs pany's manager. Paul Audrain.
within their price range," he said.
"All the clothes will be made in in New York and Los Angeles before, but they had never been to Dallas, Houston or San Fransisco. Lacroix will show pre-couture in Before they started, it was clear September and ready-to-wear with they were not aware of the enorthe rest of the Paris pack in Octo-mous scale of the market, but after Haute couture prices will start thinking they could "do" Dallas in at 25,000 francs (a little over one day, they quickly caught on. In their meandering, they took in Jimmy's a boutique in Brooklyn "which sells Gaultier, Montana and Ungaro. It's unbelievable, this

> "We learned a lot already," Lacroix said. "We asked all these retailers their reaction to European exports, and, chiefly, who does the best job at manufacturing and dis-

> eclectic choice in a boutique lost in

the middle of Brooklyn," Picart

tributing." The team hit on a vital point.

Lacroix. One of their most exciting contacts was the specialty shop Martha which with boutiques in New York and Palm Beach and Bal Harbour, Florida, makes a killing at the luxury level. "We'll make an exclusive, very expensive, embroidered collection just for her, because she has the clientele," Picart

Ronning around Americao stores, Lacroix and partners, who often sounded like innocents abroad, also discovered that "American ready-to-wear is excellent. We've seen wonderful cotton clothes -- easy, casual. Americans have the sensibility for making practical, unpretentious, uncomplicated clothes. The Calvin Klein's countre for Bergdorf is fantastic. At Martha, Bill Blass's collection is superb, with terrific embroidered skirts, "Lacroix said. He also found out that, unlike European collections, which often seem to operate in the dark, American collections are remarkably on target. "You see immediately who is going to wear what," he said..

At the end of his trip, Lacroix The ideal would be for us to have was impressed by American kindour own production and delivery ness. "We've been regally enter-system, like Chanel," Picart said, tained," he said. Professionally, he learned that he will have to work but it's still too early in the game." Lacroix was looking closely at "American — just like Bill Blass or GFT (Gruppo Finanziario Tessile), Oscar de la Renta. This means not an Italian manufacturer who has only in deliveries but style as well."

done a superb job with Valentino. He noted that the West Coast is Ungaro and Armani and recently far more colorful and flowery than

signed up Montana. "But they just the East. "Ungaro is a landslide took over Montana and Dior," Pihere," he said. He also discovered cart said, "so they may be over- that the American market needs a worked as it is." Their next choice lot of cocktail and evening wear would be the Girombelli group, "because Americans go out a lot. which produces its own successful. There is a very dressy, very chamlines, Genny and Byblos. However, pagne side to American fashion. a its analysis of the Claude Mon-little bit of show-off to which we're tana collection, with which they not used over here. This will he severed ties recently, was not a suc-wonderful for me because that's just what I love," said the designer There will be special collections who put the pour on the map.







cause after certain dates, they know

that women won't buy any more.



Beat magazine, "Hiram [Bullock] The BMW 7 Series

With some investments, the dividend is pure pleasure.

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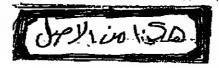
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Toward a Conference

the Middle East? Suddenly one looks possible. Preparatory consultations, moreover. have trimmed some of the inherent big risks.

The idea could yet be stillborn in Israel, whose two governing parties are in conflict on it. Likud has a fundamental resistance to entering any process that would get in the way of annexing the West Bank, as any serious initiative must. But Labor, which is open to territorial compromise, has gone far to meet worthier objections and in particular to ensure that a conference would quickly launch direct face-to-face negotiations and that it would not be empowered to impose a settlement. If Labor cannot win Likud's conference consent inside their coalition, Labor will break up the government and take the

chance of forcing new elections.

Conceivably the key issue of Palestinian representation was eased by the recent PLO conference in Algiers. Yasser Arafat, by uniting the PLO around a diplomatically disqualifying hard line, left room for King Hussein to put "authentic" but accommodationminded West Bank Palestinians into a Jordanian delegation. Meanwhile, a formula that American diplomais helped draft would meet Arab imperatives by inviting the PLO while meeting Israeli imperatives by requir-

ing any Palestinians actually participating to accept Israel and renounce terror. As with Israelis, the dispute among Palestinians about whether to start down the international conference road is far from resolved.

American reluctance to admit Moscow to big-league Mideast diplomacy has been at diminished by steps taken to limit the powers of a conference. Israeli reluctance to admit Moscow is starting to meli under Moscow's new readiness for diplomatic contacts and under improvements in Jewish emigration figures.

The 20th anniversary of the start of the 1967 war comes on June 5. What drives the search for Israeli-Palestinian peace is not so much a single urgency as a pervasive now-ornever sense that it is pointless and dangerous to let the status quo endure. King Hussein, who has been talking to Syria, is ready to sit down with Israel's Shimon Peres to create the fact - the half loaf - of a Palestinian homeland federated to Jordan. This conference idea grew in the vacuum created by the Reagan administration's default on its own Middle East plan of 1982. Still, the administration, eager for political as well as policy reasons to recoup, has provided quiet help. A conference is worth pursuing, cautiously.

- THE WASHINGTON POST.

More Aid, Less Control

The Reagan administration is undermining two international agencies which between them provide almost one-quarter of the multilateral aid for Third World countries. It does not want the Inter-American Development Bank and the Asian Development Bank to expand lending unless they do it Washington's way. But at a time when Latin America's debt burden threatens a world crisis and Asia's poor ache for help, what is the administration trying to prove?

Both banks were founded in the 1960s to give regional focus to the concept of neutral, mululateral aid programs. The World Bank's success was the model, and that bank still supplies half of the approximately \$30 bil-tion in annual multilateral aid. The two regional banks rank next largest. Governments in their respective regions contribute to the banks and borrow from them. The United States, Japan, Canada and West European governments are substantial contributors.

Periodically each hank needs more money. That time is now, but Washington resists. The administration agreed earlier this year to help expand the Inter-American

Bank, but has now withdrawn its offer. Explanation? The Latin members will not give Washington effective veto power over all loans. In the Asian hank, the United States is wrestling with the Japanese. They have equal voting power, although Japan contributes more. Now Tokyo wants to provide still more and to have dominant voting power. Washington counters by holding out for an overall review and revamping of the bank's lending policies.

In President Reagan's first term the administration disparaged multilateral aid agencies and squeezed their funding. Its charge was that the banks were run by softheaded bureaucrais. James Baker took a more enlightened view when he became secretary of the Treasury, but now he, too, seems to insist that the banks should follow Washington's dictates. That may have worked when the United States was the unchallenged number one power in the industrial world. Today it looks like a desperate defense of waning power over nations that have earned the right to share it.

- THE NEW YORK TIMES.

A Budget Compromise

would not deal on the budget until the Democrats declared themselves and confessed what they were for, instead of merely saying what they were against. Now the Democrats have done that. Similar budget resolutions have been adopted by the House and the Senate over Republican resistance. There is still a conference to be gone through, but the outlines of the Democratic position are clear,

The deficit this fiscal year is likely to be about \$180 billion. Except through the fluffy assumptions and resort to asset sales in the president's budget, the Gramm-Rudman target of \$108 billion for pext year is unattainable. The Democrats responsibly acknowledge that and adopt an intermediate target of about \$135 billion, which, the tightening that the economy can stand. To get there they propose a modest tax increase of \$18 billion and net cuts of about \$8 billion from the level that domestic spending would otherwise attain.

The House would also freeze defense spending. The Senate would let it rise with inflation and pay for the increase by shifting around about \$7 hillion in rural electric coon loans. Our sense is that the House defense budget is a little tight, the Senate plan a little more generous than the government can cur-

rently afford. But that is fine-tuning. The budget resolution will not go to the president; it is Congress's own document.

But the next steps are to pass the implementing legislation - a tax and so-called reconciliation and appropriations bills — and these do go to him. So the president has to become involved again; the question is how. The Democrais continue to invite him to

bargain. "I hope be will come to the table," says Senate Majority Leader Robert Byrd. "A bipartisan budget is in the best interest of the nation." Bob Dole also says it is time to talk: "Now is the time for us to start sitting down together to see if there's some common ground between the Congress and the administration." The assumption is that White House Chief of Staff Howard Baker will also be an advocate of compromise; that was one of the reasons for the great sigh of relief when he was appointed earlier this year.

sense to negotiate - no questions of defense vs. domestic spending and spending cuts vs. tax increases, but the issues: which cuts and what kind of tax increases. The alternative - the veto - may be good theater, but it is ragged government. The Senate Democrats propose to send the president a defense and tax increase in the same bill, so that he can kill the one only by also killing the other. It is ridiculous to have to resort to such devices. The question is how much of the deficit that the president has created in the strong pursuit of his priorities he will now clean up before leaving office. What will be Mr. Reagan's legacy?

- THE WASHINGTON POST.

Other Comment

Bad News From South Africa

The South African election result comes as no source of comfort for the Republic itself or for the region as a whole. The surge of support for the far right deals a severe blow to the slim hopes that the ruling National Party would revive the stalled reform process, while the likelihood that Pretoria will play an even more aggressive destabilizing role in southern Africa increases. President P.W. Botha may continue to talk of reform, but the record of the last two years and the nature of the election campaign calls into question his commitment.

- The Financial Times (London). Mideast: A Time for Caution

For a decade, America has been dominant in the Middle East, while the Soviet Union has been struggling to hold on to what allies it had. That situation is changing, and chang-ing at a time when the ultimate prize of access to the vast oil reserves of the region is becoming of increasing strategic importance because of the diminution of Russia's own

supplies. The Soviet Union of Mikhail Gorbachev, it seems, would be willing to pay the price of recognition of Israel and increased freedom for Jews to emigrate in return for a place at the conference table.

But peace in the Middle East is not merely a prize to be fought over hy the two superpowers. The next world war might easily begin there. Almost all countries have an interest in encouraging a settlement, and because every country has a concerned minonity given to vocal expression of its views. this is more than ever a time for caution. - The Independent (London).

Presumption of Innocence

As Klaus Barbie appears before his judges, and at the same time hefore the public via Eurovision, there is cause for moderation and composure. This case, which is to go on for eight weeks, involves in the first place a man who, it needs recalling. is presumed innocent until the hour of the forthcoming verdict. So says the law.

- Jean-Marc Théollevre, writing in Le Monde (Paris).

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OPINION

The Environment Is About All the People

By Shridath S. Ramphal

 $L^{
m ONDON}$ — As one who came to the World Commission on Environment and Development from a "development" background, I started with reservations about the environmental movement. It had emerged essentially within post-industrial so-cieties. Having achieved affluence, people in these societies wanted to concentrate on the quality of their lives: clean air and water, preserving the countryside for leisure, more bicycles and fewer trucks in cities, sav-

ing whales and seals.

All laudable, if somewhat late, these concerns were far removed from the organi preoccupation of the majority of humanity with basic living standards and, in some cases, with survival itself. When northern environmentalists tooked to the south, they sometimes seemed more concerned about pandas than people.

It soon became clear to me that such reservations were an indultion, poverty, the uneven distribution of wealth and power, and the selfish pursuit of sectional interests were different aspects of the same problems.

While the commission was meeting news of environmental disasters rained in on us from developed and developing countries alike: Bhopal, Chernobyl, the Rhine chemical spills, forest destruction in northern Europe, and the human and ecological catastrophe in Ethiopia and elsewhere in Africa. The message was clear: The world held no sanctuaries. Neither the excesses of wealth nor those of poverty could be quarantined.

For developing countries, poverty lies at the heart of it all. Ponr people often destroy their environment not because they are ignorant, but to survive. They overuse thin soils, overgraze fragile grasslands and cut down dwindling forest stocks for firewood. In the context of the short-term needs of individuals, each decision is rational: over time, the cumulative effects

The writer is secretary-general of the Comm

are disastrous. Deforestation, deserti-fication, soil erosion and the growing not be environmentally degrading number of the hungry and destitute hut can instead create the capacity to - these are the consequences. Pover-ty is both a cause and an effect of solve environmental problems. And growth is absolutely necessary to overcome widespread poverty. Not environmental degradation. But one must not move from that so long from now, there will be super-imposed on present needs those of a insight into imagining that the developing world is the main source of global pollution. There are extensive vast additional global population perhaps as much again as the world's environmental problems in develcurrent population, with 90 percent oped countries, resulting from the use of the increase occurring in the Third

of chemicals in agriculture, from the consumption of nuclear and fossil can we hope to cope? fuels and from industrial pollution. Global threats posed by damage to the ozone layer, by the build up of "greenhouse" gases and by nuclear accidents originate overwhelmingly in the industrial countries. And of course this is to say nothing of the gravest threat of all: that posed to the

right 10 life by the arms race. Because its report focuses on poverty, the commission makes what some will see as its most unorthodox demand: a call for a new era of economic growth, turning upside down the envi-ronmental dogma of the 1970s. We know now that growth need

tor, that of "sustainability." This is defined by the commission as "an approach to progress which meets the needs of the present without compromising the ability of future genera-tions to meet their own needs." The requirement that growth be sustain-able is an injunction to all countries. The ability of future generations to meet their needs can be compromised as much by the excesses of industrial and technological development as by the environmental degradation that World. How else, without growth, results from underdevelopment.

The way to sustainable develop-Developing countries must expand their economies by at least 5 percent ment will require vision and internationalism. These may now be in annually if they are to escape the pov-erty trap. Such growth will mean a short supply, but they cannot forever be smothered by disrespect of powerful states for multilateral institutions rapidly expanding world economy.

The implications of such increases and rules, by lack of support for in-ternational financial institutions, and —in population, production and pol-lution — lead many to despair. The commission was convinced, however,

by reluctance to recognize the global commons - the oceans, Antarctica and space — as a human heritage. that growth is not only necessary but feasible. The assumption that growth must be curbed because of limits to The 22-member commission. b ed by Prime Minister Gro Harlem supplies of raw materials is not valid. Substitutes, progress in energy-saving and developments in microelectronics, Brundtland of Norway, also looked to a hardheaded recognition by all concerned that if rich and poor do not work together to achieve sustainable development, the environment of the planet could be wrecked.

In 1980, the message of the Brandt ommission was that mutual interest bound rich and poor countries together. The Brundtland Commission gives this message powerful reinforcement in its clear warning that if the world is to save itself from environmental catastrophe, it has to be more serious about ending poverty worldwide. A philosophy which accepts that "the poor are with us always" is one that eatens the rich as well.

The writer, a Brundtland Commission member, contributed this comment to the International Herald Tribune.

If Sustainable Progress Is to Be Achieved

F IRST and foremost, this Commission has been concerned with people — of all countries and all walks of the of all countries and all walks of life. And it is to people that we address our report. The changes in human attitudes that we call for depend on a vast campaign of education, debate and public participation. This campaign must start now if sustainable human progress is to be achieved.

The members of the World Commission on Environment and Development came from 21 very different nations. In our discussions, we disagreed often on details and priorities. But despite our widely differing backgrounds and varying national and international responsibilities, we were able to agree to the lines along which change must be drawn.

We are unanimous in our conviction that the security, well-being and very survival of the planet depend on such changes, now. - From "Our Common Future," the report of the World Commission on

of Norway. The report, which was released on April 27, is to be considered by the United Nations General Assembly in the fall.

biotechnology and materials science are redefining what is possible. There is, of course, a limiting fac-

By Flora Lewis

To Cheer

P ARIS - European delay in an-swering Mikhail Gorbachev's latest proposals for getting rid of all medium- and shorter-range missiles on the continent betrays a pa-ralysis of will. Nothing is going to be learned or better understood by

prolonging the debate.

In all the confusing and self-contradictory hubbub, one European voice shows consistency and realism. It is that of West Germany's former Chan-cellor Helmut Schmidt, acerbic as al-

ways and perfectly straightforward.

Mr. Schmidt points out that he
brought up the problem of Soviet SS20s in the first place and proposed the zero-option solution. President Gerald Ford and his secretary of state, Henry Kissinger, agreed and took it up with Leonid Brezhnev at the 1974 Vladivostok summit on SALT-2. originally launched by President Richard Nixon. It is "absurd." Mr. Schmidt says. to call it a "Communist proposal now." The zero option "was a Western pro-

The zero option "was a Western pro-posal from the beginning."

So much for the latest arguments
of "Nixinger" (f prefer this term to
my colleague William Safire's "Kissnix") that it is an enfeebling approach that they would never have
endorsed. There has been a noticeble students of American afficient able tendency of American officials to favor or oppose ideas according to

whether they are in office or out. The point is that the ideas have not really changed. After Mr. Brezhnev said no, the problem was faced again at the 1979 Western summir on Gua-deloupe. There the U.S., West German, British and French leaders agreed that American missiles would be deployed in Europe unless the Russians negotiated theirs away. All NATO allies supported the "two

track' decision in December that year. Then why the waffle now? The Enropeans made such a fuss about needing the American missiles to "comle" the Atlantic alliance when they were fighting opponents of deployment that they are caught in the backlash of their own arguments. To wriggle away, some brought up Soviet superiority in shorter-range missiles. Mr. Gorbachev said that those could be banned, too. What about conventional forces, chemical weapons, Afghanistan, Nica-ragua, Cambodia? Again Mr. Schmidt goes to the point. "Anyone who wants to solve all the world's problems si-

multaneously will not be able to solve anything." The concessions, he says, are all from the Soviet side so far. It is clear that General Secretary Gorbachev considers it to be in his interest to get an agreement soon. That certainly does not mean that an agreement would be against the interest of the United States and its allies. Property verified, the first real step in reducing arms since World War II

could only enhance European security, which has always been based on a purely defensive strategy.

Not enough has been said about the consequences of the alternative; collapse of the negotiations in failure. The West runs a risk of handing Moscow the laurel it has long hypocritically claimed, that of being the only real advocate of disarmament and peace. Mr. Gorbachev runs a personal risk as well. There is substantial evidence

that he has not yet consolidated his

power, and reason to question the military's support for his concessions. The Soviet journal Literaturnaya Gazeta has reported a speech by a General Volkogonov, described as deputy chief of the Soviet army's po-litical directorate, to the Union of Soviet Writers. The general, whose first name was not given, attacked the writers for failing to glorify the military and to maintain a call for "vigilance." He said that "pacifism is political vegetarianism," and that while it might be useful for Soviet purposes in the West,

it "is not for Communists."

The West cannot and should not try to help Mr. Gorbachev with his internal politics. He could disappear in any case, regardless of Western policies. But a new surge in the arms race, likely if there is no agreement, cannot serve Western purposes and would surely provoke serious political trouble in Western Europe.

Mr. Kissinger did make one good point in his criticism of the negotia-tions, but in private, before the Council on Foreign Relations when he returned from a February visit to Moscow. It was that there is no agreement in the West, essentially no strategic thinking on what is wanted from Moscow overall.

That is what European and American leaders should be consulting about now. Otherwise they doom the West never to know when it can achieve a good accord, always to be reacting in evident disarray. Mr. Reagan seems to be in sight of important progress. It is time for the allies to close ranks and cheer for getting what they wanted. The New York Times.

1937: Japan Sees Threat

TOKIO - The Japanese Navy is

MIN

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IN OUR PAGES, 75 AND 50 YEARS AGO

1912: China Loan Near PEKING - The deadlock between

the Government and the bankers of the Six Powers has been broken. This result has been brought about by the positive refusal of the Premier, Tang-Shao-Yi, to consider the bankers' tactles proposal that foreign military attaches exercise cooperative control over the disbandment of superfluous troops. The bankers receded from their original proposal, which they now say was advanced merely as a basis of negotiation. Hsning the Minister of Finance, held a long con-ference [on May 11] with the bankers during which the details with respect to the reconstruction loan of £60,000,000, as well as much needed advances, were fully discussed, and a Mr. Cerezo's visit to celebrate the advances of democracy, it would be helpful if Mr. Reagan would discuss islative Council, was worked out.

"deeply concerned" over the change in the Far Eastern naval simution caused by Russia's reappearance as a naval power, according to a pampilet issued by the Navy Ministry. The pampilet declares that Japan has cast off the "yoke" of the 1921 and 1930 treaties, because they branded Japan as inferior to Great Britain and the United States. It points to the "aggressive economie advance in Asia by the United States and various European nations," the strengthening of British and American Far East naval bases and the reconstruction of the Russian Far Eastern Squadron as reasons compelling Japan to develop her navy to gain control of Oriental waters." The pamphlet concludes. The position of our Empire in the Orient is one of life and deare.

mment and Development chaired by Prime Minister Gro Harlem Brundtland

PARIS — As it starts up this week in Lyon. the trial of Klaus Barbie is accompanied by apprehensions and expectations equally overrated. Barbie is not up to the morality play which has been mounted about him, nor is he worth the attention accorded him by the world press.

From 1942 to 1944 Barbie was a zealous young policeman who, according to witnesses, took a personal part in torturing his clients. There are a million like him. His superiors noted that he "goes

straight to the point and likes action." His trial is supposed to inspire fear among the French that patriotic lies surrounding the wartime Resistance will be exposed, and hidden crimes of collaboration revealed. This is the argument of Barbie's lawyer, Jacques Verges, who intends to turn the trial around and accuse Barbie's accusers of the hypocrisy of trying him for crimes resembling those committed by French soldiers and officials during the 1954-62 war in Algeria crimes later amnestied by the French state.

Mr. Verges may also be expected to attack the hypocrisy of the United States. Barhie's employer from 1945 to 1951, and possibly afterward. Americans today condemn Barbie, expel ex-Nazis to the Soviet Union and ban the president of Austria from America's shores for his Nazi connections. but in those days they recruited Gestapo officers and fitted them out with new identities to spy on Communists. Mr. Verges lives, professionally, for the sake of provocation. It might be said that his

practice is built on the bypocrisies of others. He says that France observes a "theology" with respect to the Resistance, one which "never is Moulin, was betrayed to the Gestapo by a comquestioned." He intends at this trial "to replace rade. What if he does? This has been suspected for that theology with history." Thus he is expected to a long time. No one believes the Resistance was use the trial to demonstrate that the Resistance without turncoats, cowards - people who simply was a marginal affair beset with dissension and went to pieces under torture. The salient fact is quarrels, suffering betrayals, penetrated by the that there was a Resistance. This trial is about

By William Pfaff

The World Has Had Millions Like Klaus Barbie

Germans. But Mr. Vergès is too late; all of this is well known. Moreover, public opinion polls say that the majority of contemporary French men and women, the young in particular, want the truth told about the Resistance.

It is perfectly well understood in France that Charles de Gaulle, with the cynicism of great statesmanship, promoted a myth of mass resistance. One of de Gaulle's close associates, François Coulet, who landed in Normandy to assert de Gaulle's authority in the newly liberated areas there, has told of the inspiration he had, addressing the people of the first village be entered, to address them as "Français, Françaises libres!" The phrase happily implied that everybody being liberated from German occupation by the allied armies had a connection with the Free French fighting forces led by de Gaulle in London. This was the Gaullist way to re-establish national

unity and restore self-respect. But that was more than 40 years ago, and it has already been turned into history. Thanks in part to American historians, in particular Robert Pax-ton, who wrote the first full account of the Vichy period, the whole story of the French collapse and of French collaboration with Germany has been told - during the last decade, exhaustively

told. There can be few surprises left. People have worried that Barbie will claim that de Gauile's representative to the Resistance. Jear

things long ago settled, for better or for worse.

The Barbie trial is supposed to remind the world of Nazi crimes against humanity, and help ensure that Nazism will never happen again. But has any serious person in the West forgotten Nazi crimes against humanity? And who is so foolish as to think that something like those

crimes will never happen again?

The trial of Adolf Eichmann, 26 years ago, was significant because it made people understand that what had happened in Germany between 1932 and 1945 was not a unique eruption of evil from some satanic underworld but was the work of political zealots - some idealists, in their own opinion - served by dutiful clerks, bureaucrats,

and by soldiers "only following orders."
Not everyone liked this lesson in the banality of evil, to use Hannah Arendt's celebrated and furiously controverted phrase. The thesis of unique evil was far more attractive because it consoles the victims and excuses everyone else. A "unique" evil, by definition, can never happen again. We ourselves, it is implied, could never have become involved in something so out of the ordinary, and hence need not worry about becoming responsible for something like it happening ever again. A French commentator, André Frossard, wrote

the other day that a "crime against humanity," which is what Barbie is accused of, occurs when "one kills someone for the sole reason that he was born." That seems to me a profound observation. Barbie, however, gives no sign of being a metaician. Me is accused of killi and torturing them, and shipping them off to the camps, because it was all in a day's work. He deserves what he will ger, but I don't see that anyone will learn much from it.

International Herald Tribune O Los Angeles Times Syndicate.

Officers Should Obey the Law, Like Everybody Else By Arych Neier

Duarte government has been as pow-

erless as the Cerezo government to

tary for human rights abuses is not even an issue in Brazil, where an

amnesty was regarded as part of the

price the country paid for a transition

to democracy two years ago. On the

other hand, it is a major issue in

Uruguay, where a campaign is now under way for a national referendum

enacted in December. In Peru and

Colombia, democracies that face challenges from leftist guerrilla

movements, civilian officials have

been attempting to prosecute military

When the example of Argentina is

cracies to prosecute the crimes com-mitted by the military is that such

crimes continue in several countries,

even if on a reduced scale, under civil-

ian rule. The armed forces in Guate-

Instead of using the occasion of Mr. Cerezo's visit to celebrate the

mala remain n law unto themselves.

men for gross crimes, but these ef-

forts have come to naught.

The question of punishing the mili-

punish mass murderers.

WASHINGTON — When the president of Guatemala, Marco Vinicio Cerezo, visits the White House this week, President Ronald Reagan is likely to use the occasion to comment on the advances of democratic government in Latin America. Yet this should also be an occasion for attention to the weakness of most of the new democracies in dealing

with their own armed forces. The clearest indication of that weakness has been their inability -Argentina is the exception — to prosecute members of the armed forces for even the most appalling crimes

against their own citizens. The case of President Cerezo, who was elected tial campaign in 1984 to investigate after 32 years of military rule in Gua- and prosecute those responsible for

Jan. 14, 1986, the armed forces promulgated an amnesty, forgiving themselves for the thousands of murders they had committed under the last two military governments. Mr. Cerezo, whose own commitment to the protection of human rights is be-

temala. is the most dramatic. Four days before he took office on

yond question, has gone along. In El Salvador, Josè Napoleon

Vigilantes for the Dirty Work?

T HE government of President Corazon Aquino has acquired some strange bedfellows in recent months. The military and an influential cabinet minister are actively promoting the formation of right-wing vigilante organizations. As Filipinos went to the polls on Monday to select the first Congress to serve under the new constitution, the polarization caused by the vigilantes was undermining the very center that Mrs. Aquino claims to uphold.

"Any group that fights commu-nism is our friend," one military officer explained to me. But many of these armed civilians have criminal records and show little respect for the rule of law as they zealously assist the military in its pursuit of the Communist-led New People's Army.

Mrs. Aquino has called one Mindanao vigilante group a "concrete manifestation of people power." A cabinet minister has threatened to fire local officials who won't cooperate in the formation of similar groups.

Just as Benigno Aquino, the presi-dent's husband who was assassinated in 1983, was accused of being a Communist by the Marcos regime, many mode ates in the provinces now are tarred with the same charges by the vigilantes. The local military commander in Davao said there is "no neutrality." Uncooperative households may have a red "X" painted on their houses by the vigilantes.

There have been shifts in the political scene. Many liberal democratic

members of the broad coalition that brought Mrs. Aquino to power last vear have been pushed to the margin of the government or ousted under military pressure. Some have resigned. So far, Mrs. Aquino's personal pop-ularity has carried her safely from cri-

the greater the potential for disappointment over unfulfilled expectations. Despite the campaign promises in 1986, there has been no perceptible progress toward agrarian reform. The survival of her government has required her to abandon plans to re-

form the bloated military inherited from Ferdinand Marcos. When she raised elsewhere in Latin America, was threatened by a coup attempt in the standard response is that the prosecutions there were possible be-November, she was rescued not by the popular mobilization that put her into cause the civilian government took power but by factions of the military. over in 1983 from a military humiliat-ed in the Falklands war. Yet even in Even those who most fear the dangerous impact of the vigilante policy Argentina, President Raul Alfonsin would admit that in the short term it is has imposed a time limit on the pro-secutions, and his failure to insulate successful psychological warfare, forc-ing the New People's Army out of middle-level officers from prosecution provoked rebellions in April at several military garrisons.
One consequence of the inability of most of Latin America's new demo-

strongholds in Davao City, parts of Cebu and elsewhere. The military can use the vigilantes to do its dirty work, But the rightward drift is alarming many of the same Filipinos who only last year were rejoicing in the demo-cratic freedoms restored by the ouster of Mr. Marcos. If the government continues to rely on the right in its battle against the left, the center will crumble. Polarization will destroy all hopes for a pluralistic society.

- Paul Hutchcroft, writing in the Hartford Courant.

with his guest how the United States might boister civilian rule. One way to help would be for the United States to renounce efforts to enlist the Guatemalan military such notorious crimes as the 1980 against Mr. Cerezo's wishes — in the effort to overthrow the Sandinists in murder of Archbishop Oscar Arnulfo Romero and the 1983 massacre at an Nicaragua. Another would be to revise the U.S. aid program so as to Indian farming cooperative, Las Hoias. The military officers responsible ensure that the effect would be to for what happened at Las Hojas are strengthen civilian institutions. well known, but no action has been And perhaps, most important, the taken against them and they continue United States should speak out unto occupy important posts. No formal amnesty has been promulgated in El Salvador, but in practice the

equivocally about the importance of subjecting the armed forces in countries such as Guatemala to the rule of law, like everyone else. The writer is vice chairman of Amer-

icas Watch, a human rights organiza-tion. He contributed this comment to

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OPINION

Gary Hart Ought to Know **Who Shot Down Gary Hart**

By A.M. Rosenthal

N EW YORK - Gary Hart said he should be competitive, but not to the cided hell, no, he wouldn't just go out quietly but would speak his mind, tell everybody about the dreadful times we are in. He ought to know that those wonderful middle-of-the-night inspira-tions don't look so good in daylight. Instead of saying goodbye with a

ON MY MIND

tion, Gary Hart told us he had decided that Gary Hart was a wonderful man after all and that everybody was respon-sible for Gary Hart's political demise except Gary Hart. I like myself, he said. take me or leave me. Blame? Those others out there. He almost managed to make The Miami Herald look good, and

it is not his fault that he didn't succeed. Who was responsible for the Hart disaster? The press! The press kept insisting on examining him and finding out the kind of fellow he was, and this got between Gary and the voters and prevented him from getting his point of view across to the public! As it happens, I believe that The Mi-

ami Herald acted poorly journalistically.
It was right going after the story once it received a tip that Mr. Hart was having. an affair, this time with a specific young woman who was on her way to his Washington home. The rumors about Hart have been a time bomb ticking away in his campaign, and if be chose to light the fuse, that certainly told something about the front-running candidate

of the Democratic Party. But The Herald shoved the story in hastily and sloppily between editions. Editors with a sense of responsibility to their public and papers do not breathi ly bang in a story that can affect the national destiny. If they have to come in second because they take time and care, that is not a matter of journalistic disgrace but of journalistic bonor. Editors

A Reporter Under the Bed

ARY Hart has rewritten the guide-Glines of political journalism. Until his tragic downfall fades from memory and that will be a long, long time -every politician from the precinct to the White House will be wondering whether his private life will become a public issue. Politicians who cheat on their income tax, candidates who sniff cocaine or walk around drunk, public officials who cheat on their wives — all must be getting nervous. Can they trust their friends, who tomorrow might be enemies? If the press can linger in the alley behind the town house of Gary Hart, what is to keep it from watching the movements of the local school superintendent?

Chuck Green in The Denver Post.

woke up at about 4 A.M. and depoint of shoveling in an important story that could destroy lives, without getting all the facts possible and giving people a decent time to reply. And I felt that The Herald damaged journalistic self-respect by skulking around Mr. Hart's house all night, hiding out in the bushes. An unmarked car or van with spotters inside is measure of dignity, regret and introspec- a bush with four wheels.

But along comes Mr. Hart to turn what could have been his finest moment into a spasm of self-pity. He said he was not very good at talking about himself or playing the political game. Really? Then what in heaven's name was he wasting our time for by running for president?

That was bad enough, but then Mr.

Hart tried to turn himself into the victim and the press into a criminal.

It is absolutely true that running for president is a strenuous, nerve-wracking process, and that the press often pushes too hard and asks embarrassing and even vulgar questions. It is also absolutely true that Mr. Hart and every other candidate reach their voters through the press, print and electronic. Virtually every important thing they say gets printed or broadcast. Often, over and over, because most politicians say the same

thing every day wherever they are.

Mr. Hart said not a word, not one blessed word, about what did ruin his career, and the careers and lives of so many political workers who had put their faith in him - not the press, but his own conduct. His very strong wife, said Mr. Hart, was brought close to tears because she could not get into her own house without being harassed.

As a journalist, I am often appalled by the crush of reporters around a public figure. But not as appalled as when I beard a man who wanted to be president talking about his wife's tears without having the courage to say it was be who had brought tears into her life by his behavior. That is what wrecked his future and hers.

It was not Mr. Hart's sexual ethic that was the issue to me. It was a feeling that by taking the risk he had a dangerous longing for the high wire. Now, through his own mouth and mind, he has shown us the sad truth, At best, he never understood himself and what he was doing. At worst, be understood but even at the end had to blame others — never himself.

Yes, as Mr. Hart said, we all have to do some hard thinking about the way we choose presidents. Journalists have to think about whether they should act like snoops and private eyes even if they have the First Amendment right to do so.

We need leaders who see things clearly, starting with themselves. Mr. Hart showed himself unable to see himself at all. Thus, in the end, Gary Hart disqualified Gary Hart from being president of the United States. He does not know that the tears he sees are caused by himself. The New York Times.



A Manizing Scandal Would Be a Signal

B OSTON — A self-appointed watch-dog of sexist language and litera-ture called this morning in especially high dudgeon. This person, mind you, has made an avocation of catching every missing pronoun. Use the word "he" when you mean "he and she" and this committee of one is ready with the genderless judgment: Get the unisex cuffs.

Today he/she (we will keep this androgynous) said that I was on his/her blacklist. I had blown years of credits by the use of the word "womanize." Even worse, I had written about politicians' penchant for peccadillos in the exclusively he-man vernacular. I had listed the charges against Roosevelt, Eisenhower, John Kennedy, Gary Hart where are the charges against women? Not a bad question. But I don't

believe that it's a matter of semantics or a sexist plot to discriminate against (in favor of?) women.

There just isn't a good gender-free sourcelent for the word "womanizing." Wordsmith William Safire (IHT, May 4) recently went through an entire desk file of alternatives, including "man-eater," before settling on "philanderer" and suggesting that when a woman runs for the presidency she could say, "I'm not a philanderer." But "philanderer" just doesn't have the same juice.

Maybe, in the end, there is no fitting female verb because there isn't the female activity — at least at the same high politi-cal level. The women who historically have garnered reputations for frivolous and varied sexual behavior - Catherine the Great, Elizabeth ! - did not have to worry about getting elected.

By Ellen Goodman

More recently, the political women who have been damaged by the men in their lives followed more traditional patterns. Bess Myerson's troubles in New York could be traced in part to choosing Mr. Wrong, Peggy Heckler suffered because of a divorce proceeding in which she was pegged as Mrs. Cold. As for Geraldine Ferraro, I give you the words at a recent political roast uttered by

MEANWHILE

Gloria Steinem: "What has the women's movement learned from her candidacy for vice president? Never get married." Why haven't there been any "manizing" scandals about political women? Theories range from woman's nature to her nurture. Ruth Mandell, of the Center for the American Woman and Politics, says that political women are still in the pioneer stage, and pioneers may be "less willing to take risks in what is already a very sensitive situation. It's not that I've never heard of women having an affair,

but they tend to be very, very cautious." The clicke of "womanizing," she adds, conjures up the image of the older, powerful man and young attractive women:
"He's admiring her for looks; she's admiring him for power." There are very few images in society at large, let alone in rarefied politics, of older, powerful womon and young attractive men. Male power may be the great aphrodisiac to women, but it doesn't seem to work in reverse. Ethel Klein, a political scientist at Co-

lumbia University, suggests: "Women in general grow up associating sex with danger, long before they even get into poli-tics. We're brought up to understand that we're very vulnerable." Vulnerable in terms of pregnancy, even rape, and certainly in terms of the double standard of society. She also does not believe that many high-status women wish to prove it. in the bedroom. "I don't think," she says, that getting men to submit "... is the way most women feel powerful."

I could find no one, not even myself, who would argue in support of the higher innate morality of women in politics. "I. don't want it to seem like women aren't subject to flattery and temptation," says.
Ms. Mandell. We may be dealing notonly with pioneers but with a first wave who put their personal life on hold women who had to be twice as virtuous and who have always felt watched.

If that is true, it may just be a matter of . time until women catch up. Or catchdown. The gender gap in womanizing the word and the deed — may come down to numbers. "I think we just have too small a sample," says Kathy Bonk, of the National Organization for Women's Legal Defense Fund. It is hard to know home summen in high officer will be hearn. how women in high office will behave, when, she says, "all you have to go on isabout 26 people's behavior."

When more women get to high politi-cal power, will they be different? Will we have equal ratios of manizers among the growd?"This is the \$64 million question. says Ms. Bonk, asking with a touch ofirony, "Will we know women have made; it when we have our first scandal?" Washington Post Writers Group.

LETTERS TO THE EDITOR

South Africa Isu't a Prison

The editorial page cartoon by Auth (IHT, April 24) is another example of

unfairness to South Africa. Instead the

being shot at the border. An African is

at liberty to return to his homeland if he

does not like the way of life in the union.

If one can find any guarded frontiers in South Africa, they are there to pre-

vent an influx of Africans from states to

the north, where political and economic

GERHARD METER

conditions continue to deteriorate.

More to Arms Control

Representative Les Aspin argues, in But Battlefield Nuclear Weapons Should Go First" (April 28), that such weapons are undesirable because they are likely to be used early in a war. However, a powerful deterrent of conventional war is the prospect of its quickly becoming a nuclear one. Mr. Aspin thinks that the objective of arms control is to make nuclear war less likely. Most West Europeans wish to make any war unlikely.

KENNETH N. WALTZ.

In response to the report "Reagan Arms Adviser, Contradicting Policy, Cites Missile Pact Flaws" (April 29):

Having heard Edward Rowny exp his views in Geneva, I am surprised that he remains a member of President Reagan's arms control team. I doubt that he will support any proposal put forward to enhance the chances for a treaty.

JOHN B. THOMAS.

What About the Skill Gap?

about 4 million more manufacturing jobs, guaranteed by economic arithmetic. Is it time to celebrate? Hardly.

A look around American streets and stores shows foreign-made vehicles everywhere and imported consumer goods from kitchen knives to high-tech gadgets. Be it Henry Ford's production line or the space technology built into a Swatch, American ideas work—and sell—unless they are transformed into products by Americans — who have developed a keen sense of quality over the last decade and seem bound to purchase foreign goods. At present, the country does not have the industrial expertise to transform good

ideas into goods that sell. There are two solutions: import such skill instead of goods or, better yet, develop it at home, expanding spending on research and development.

JOSEF ERNST.

Peace With Whom?

Regarding the report "Jordan Challenges Israel on Peace Talks" (May 5): Lester C. Thurow's peppy opinion column, "Tomorrow, U.S. Trade in the talks" between Israel and Jordan either All the jockeying over direct "peace

Black" (April 24), has appeal: Once under or outside the umbrella of an the trade deficit is erased, there will be international conference misses a funda-On the Streets, in Fashion mental point. To achieve peace, one must talk with one's enemies, not one's Regarding the opinion column "Isn't It Time the '60s Came to an End?" (May 2) by Charles Krauthammer friends. Any effort by Israel and Jordan to settle the fate of the Palestinian peo-Why should Americans stop protestple without the participation of those

ing what they believe are iniquitous acts they consider their legitimate represencarried out by their government, simply because the decade has changed? Unlike tatives would not be a step toward peace but a catalyst for increased violence. miniskirts or hippie beads, mass demon-strations and civil disobedience need not JOHN V. WHITBECK.

> call attention to abuses of power by an agency of the government, then it is always well-timed and relevant. BRIAN BURT.

> become outdated. If protest is used to

Wiesbaden, West Germany.

country depicted resembles East Germany, which I visited recently. People there are truly in a prison, from which My Garbage, Your Mess In response to the editorial "Trash there is no escape without the risk of

Without a Country" (April 30); Did businessman Lowell Harrelson think he could get rid of his Northern garbage in the South because the South matters less? O. PICURL Kilchberg, Switzerland.

An Island of Rainbows

Since your newspaper is so widely read throughout the world, I must con-

test some of the statements by Mark Kurlansky in his article on Dominica. "A Lush Caribbean Isle" (April 18).

Dominica is not like a South American ungle. It is nature's living museum, offer ing an incomparable opportunity to experience one of the last spots on Earth where nature is so unspoiled and flour ishes in such abundance.

It is an island of rainbows, with mist rising from lush valleys and falling over blue-green peaks. Teams of scientists have come to study its pristine life.

The writer says there is no industry. But we have many industries, such as Dominica Coconut Products, fruit processing industries and light assembly plants. The government provides incen-

tives for industrial development. The writer refers to the Boiling Lake as a "geyser pool," but this understates its uniqueness. New Zealand has the only other one in the world.

Our prime minister, Engenia Charles, has said: "Dominica does not follow the popular image of a tourist center. But it offers unusual features that could be attractive to the up-market trade."

> McDONALD P. BENJAMIN, Ambassador of Dominica to Italy and the United States.

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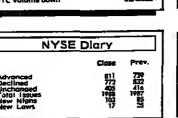
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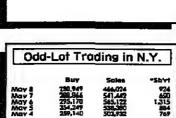
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Spain*	Ptas.	29,000	16,000	8,800	Ptas. 55.33	Ptas. 20,140
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British Stocks Post Record Gain

The Financial Times index hroke the 1,700 mark for the first time before dropping slightly under the weight of profit-taking. The index closed up 38.4 points, at 1,697.1. That was well above the previous record of 1,658.7, set Friday, then the previous record of 1,658.7, set Friday.

when the index leaped an unprecedented 30.

to acquire Caremark Inc. in a stock-swap dea

walued at about \$528 million.

Among hive chips, IBM, AT&T, General Motors, Eastman Kodak, International Paper, General Electric, DuPont, Merck and Minneso-

ta Mining & Manufacturing were all ahead at

Compaq Computer was up 1% to 44% after rising 7% last week. Tandy, Texas Instruments, Digital Equipment and Cray Research were

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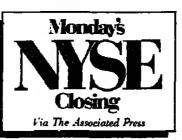
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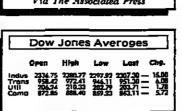
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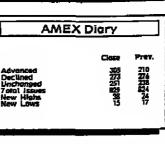
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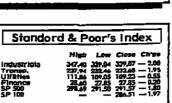
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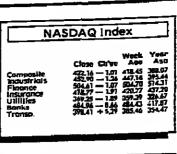
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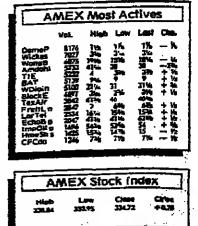




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NYSE Mixed in Active Trading NEW YORK — Prices ended mixed on the New York Stock Exchange on Monday in active trading after a late selling wave wiped but a sharp advance.

The Dow Jones industrial average, which rose

11.90 last week, erased a 40-point advance to finish at 2,307.30, down 15 points. An ahour before the close, the index had been ahead more than 32 points.

LONDON — Stock prices on the London Stock Exchange took a record jump Monday. closing at a new high, buoyed by Prime Minister Margaret Thatcher's announcement of an early election on June 11.

The Financial Times index broke the 1,700 Advancing issues maintained a small edge over declining ones. In morning trading, ad-vances had been ahead of declines by a 4-1 shares up from 161.9 million Friday. Prices rose in active trading of American

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South Korea's New Turmoil

IN THE NEWS

Jan. 20: Minister Ouits After Student's Death

The death of a South Korean student during detention leads to the resignation of the interior minister, Kim Chong Hoh. The national police had formally acknowledged that Park Jong Chol, 21, was tortured and died of suffocation during an interrogation. The incident forced the government to admit, for the first time in a political case, that the police had behaved brutally.

April 8: Two Dissidents Break With Party

South Korea's two most prominent dissidents break with the leading opposition party to form a political party of their own, the Party for Reunification and Democracy. Kim Dae Jung and Kim Young Sam said the action was needed to end the fractiousness within the consciousness within the opposition, which is divided over how to change the constitutional process for selecting a national leader.

April 13: Chun Halts

Talks With Opposition President Chun Doo Hwan orders an end to discussion with the opposition on writing a new constitution and announces that his successor will be selected this year under the present electoral college system. Any fur-ther constitutional talks with the opposition-are postponed until after the Olympic Games are held in Seoul in September 1988.

April 17: Demonstrators Protest Reform Delay

About 3,000 students demonstrate to demand the resignation of President Chun and to protest the delaying of plans for consti-tutional change. Clashes with police spread throughout the country during further demonstrations on April 28 and May 5.

April 18: Seouls Sets **Economic Measures**

Deputy Prime Minister Kim Mahn Je announces a new economic package to wean the economy from a dependency on exports. The measures are announced just before the arrival in Seoul of the U.S. commerce secretary, Malcolm Baldrige,

IN THIS REPORT

Political Struggle 12

The opposition's leading dissidents are in-creasingly viewed as another symptom of underlying political problems.

Economic Growth 13

South Korea is taking its place in the global economy even faster than its industrialists and planners had anticipated.

Asian Advance

South Korean companies increasingly appear to be ready to move into Asia.

Banking Rules South Korea's banking system could be closer

Washington View 16

The abrupt end of negotiations for a revised constitution has caused deep concern.

Succession and the Military

Steps Toward Democracy Fail To Match Economic Progress

By Patrick L. Smith

EOUL — A year ago, this politically troubled nation seemed alive with the possibility of genuine advancement. President Chun Doo Hwan had caunously agreed to accept long-awaited constitu-tional change that would have allowed him to preside over South Korea's first peaceful transfer of power.

The opposition New Korea Democratic Party had won substantial public support for its demand that Mr. Chun's successor be chosen by a direct popular vote. One way or another, political institutions were to triumph over personal ambition and the threat of military inter-

There were few certainties: The tough politicking that has characterized South Korea's struggie toward democracy had not ceased. But there was an unmistakable hope that it might finally produce a breakthrough after 38 years of near-constant turmoil.

No such optimism now remains. A month ago, the New Korea Democrats collapsed when party moderates proposed a compromise with Mr. Chun, who has insisted on a system of indirect presidential balloting. The president subsequently postponed debate on the constitution with the constit tution until after his successor is chosen, a

move seen widely as an opportunistic lurch into a sudden political breach.

Once again, South Koreans have been forced to confront the limits of their political maturity. On both sides, leaders have failed to overcome the traditional Korean inability to compromise, which is based on a view that concessions are an indication of weakness.

More broadly, they must confront the politi-cal system's inability to push forward leaders capable of reflecting their achievements. The nation now faces the prospect of another military-backed regime that could remain in power until 1995, engendering little public enthusi-asm and a steady level of civil disorder. "Everything bas changed," said Hyun Hong Choo, a senior official of the ruling Democrat-

PATRICK L. SMITH, a Hong Kong based

South Koreans must confront the political system's inability to push forward leaders capable of reflecting their achievements.

ic Justice Party, in a recent interview. "Everything except our constitution, the one thing we were supposed to change."

Since Mr. Chun came to power seven years ago, following the assassination of President Park Chung Hee in October 1979, his rule has

been marked by a high degree of ambition.

Internationally, the president has sought to extend South Korea's diplomatic contacts, thus earning the nation a more prominent place in the world community; at home, the establishment of rule by law and the strength-ening of political institutions bave ranked high among his professed goals.
In many respects Mr. Chun's term, which

expires in February, can be counted a success. The economy bas expanded at an average annual rate of nearly 9 percent during his tenure. In a new display of self-confidence, planners have begun to encourage domestic consumption for the first time in the nation's history. In partnership with Prime Minister Yasu-hiro Nakasone of Japan, Mr. Chun has markedly improved the often troubled relationship between Seoul and Tokyo. And he has over-

seen the flowering of the nation's unofficial ties As n token of its regional emergence, Seoul has slowly begun to assume a more important security role in northeast Asia as part of a stillunacknowledged strategic alliance with Tokyo and Washington.

Apart from the radical groups that have opposed the Chun regime most strenuously. no one in South Korea wants the summer Olympic Games in September 1988 to be anything less than the national triumph they are intend-

The Games, too, are likely to mark a diplomatic success for the present administration, in that China and virtually all Soviet-bloc nations are expected to attend, despite the insistence of

North Korea that it co-host the Games. That is the positive side of the ledger. It has not significantly eased the crisis of legitimacy that Mr. Chun has suffered since his inaugura-

· Although Mr. Chun resigned from the military on assuming office, his regime has been marked by a dramatic increase in the political role of the military. The ruling party continues to function chiefly as a political vehicle for Mr. Chun and his military supporters: efforts by some civilian officials to advance the party beyond this role have not

 Mr. Chun has failed to loosen the firm grip that Mr. Park, his predecessor, gave the execu-tive over the National Assembly. In modified form, he has kept constitutional provisions that weight the control of legislative seats heavily in the ruling party's favor.

Outside of the parliament, Mr. Chun's uman rights record has been grim. For much of his term, according to local political sources, government has held more detainees than Mr. Park at any one time during his rule,

 Although Seoul has pulled decisively ahead in its political and economic competition with Pyongvang, this is viewed by many analysts as both a success and a liability, insofar as it increases tension between the two

Continued on page 15



President Chun Doo Hwan

Learning From Japan's Mistakes in Trading With U.S.

By Stuart Auerbach

ASHINGTON - For years, Japan has been peering warily across the Sea of Japan at South Korea's emergence as an embryonic ecothe Japanese in U.S. markets with low-cost cars, home electronics products and comput-

These days it is South Korea that is doing the looking watching the growing trade frictions between Tokyo and Washington and trying to figure how it can escape the kind of punitive sanctions that the United States im-

posed on Japan last month. With 40 percent of its exports landing in the United States, South Korea is especially sensitive to any notion that it is a second Japan, pursuing the same mercantilist, restrictive import policies used so successfully by the Japa-

At first blush it appears that South Korea is succeeding in learning from Japan's mistakes. It is embarked on a vigorous campaign to open its markets to U.S. products before it becomes a matter of public debate in the United States and a political issue in Congress. It has also gone on a "buy America" push, substituting

STUART AUERBACH is on the staff of The Washington Post.

Changing Market For Exports

	from '85	in 1986
United States	29.9	39.6
Japan	13.3	14.5
Hong Kong	21.2	5.3
Canada	8.6	3.6
West Germany	41.3	3.4
Others	22.1	33.5
	Source	r Moore Gove

U.S.-made products for those it previously bought from Japan.

Last month, while most of the attention was focused on a possible trade war between the United States and Japan, Seoul bowed to pressure from Commerce Secretary Malcolm Baldrige and agreed to end long-standing barriers to imports of U.S. computers, candy and auto-

Significantly, Japan still maintains protec-

1st Quarter Results

tionist barriers to chocolate imports, and auto parts are the subject of contentious negotiations between the United States and Japan.

The South Korean effort drew praise from Mr. Baldrige, who said on American television that Seoul bas been more amenable than Tokyo in responding to U.S. requests that it relax import barriers.

Earlier in April, South Korea announced a tariff reduction program for 83 products, in-

cluding beer, cars, fruits and vegetables, lumber and paper products, to take effect in July. It remains to be seen whether the South Korean promises will result in more U.S. sales

in that fast-growing market. U.S. businessmen working in Seoul have complained that past market-opening initiatives appeared, like Ja-oan's, to have been aimed more at public relations than at substantive changes in its import substitution policy. The highly publicized Korean government

import liberalization campaign of the last few years has not resulted in any significant increase in imports of products other than raw materials, capital goods and inputs to the export manufacturing sector," said the American Chamber of Commerce in South Korea in a report issued earlier this year.

While these "Amebam" groups usually are reluctant to criticize the host government, the U.S. businessmen in South Korea said furnly that the Scoul government must abandon its basic strategy of import substitution to give U.S. companies a fair shake.

"We urge the administration and members of Congress to continue pressing the Korean government for equitable treatment for U.S. commercial interests in Korea," the group's report said.

We believe we may very well lose the opportunity to participate in the explosive growth of South Korea's home market that will take place over the next few years if the barriers are not dismantled now.

Nonetheless, South Korea has sailed through the past year on what have become known here as "the three blessings" - low oil prices, low interest rates and the increasing value of the Japanese yen.

With its currency, the won, pegged to the sinking dollar, South Korea has benefited from the dollar-yen fluctuations as its products bave become more competitive in both the United States and Japan. While the yen bas grown in value over the

past 18 months by more than 40 percent in relation to the dollar, the won has risen just 6 percent against the dollar since the beginning

So far, Scoul has been able to fend off pressure from Washington to realign the won, arguing that it needs to build up trade surpluses and keep its currency at present levels to pay off about \$45 billion in external debt.

Once that is done, top South Korean trade officials told the Reagan administration earlier this spring, it will allow the won to float to a level more in keeping with the country's inter-national economic status.

While trying to bold firm on the won, South Korea has embarked on a campaign to keep the United States happy while delivering a

blow to its former colonial master, Japan. Looking at the high value of the yen, which made Japanese products less competitive,

Continued on page 12

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BANQUE INDOSUEZ. A WHOLE WORLD OF OPPORTU

Malaise Is Now Touching Dissidents

By Patrick L. Smith

EOUL - Few South Koreans seemed surprised when the opposition New Korea Democratic Party collapsed last month and President Chun Doo Hwan abruptly canceled constitutional talks opened

Opposition parties have dissolved regularly into factional infighting since South Korea embarked on the road to liberal democracy in the early 1950s. Constitutions, particularly the rules they set for national elections, have been

the focus of controversy for nearly as long. But this year's reverses have affected the nation more profoundly than in the past, ac-cording to local political analysts, chiefly because popular expectations ran higher than before and because advances in other areas of South Korean life are now so much more

As elsewhere in East Asia, these analysts suggest, the political process in South Korea can no longer remain the preserve of the national elite, as it has been for most of the

For the moment, at least, this prospering nation is politically adrift. Beyond the immediate struggles, many South Koreans have come to recognize, lie fundamental issues that must be addressed before traditional authoritarian rule can be left behind and some form of democracy can take its place.

Even members of the ruling Democratic Justice Party have expressed a deep sense of frustration since Mr. Chun announced on April 13 that constitutional talks would be deferred until after the Seoul Olympics have ended next year. Outside the party, the decision has further detracted from the president's already low level of popularity among voters. But the opposition's leading dissidents, long accepted as the source of political virtue and

the foundation of progress, are increasingly viewed not as an answer to the nation's political grievances so much as another symptom of its underlying political problems.

As Mr. Chun's foremost adversary, Kim Dae Jung continues to command considerable respect among South Koreans, according to independent analysts, chiefly because of the sacrifices be has made since he became politically active in the late 1950s.

But the nation's increasing impatience for political modernization has led many South Koreans to begin questioning Mr. Kim's authority in ways previously reserved for Mr. Chun and his predecessors.

"Neither side any longer seems to offer a real future for us," a leading political scientist in Seoul said recently. "Basically, they are seen in the same way — unwilling to compromise, both clinging to the same authoritarian political methods."

The question now, this source added, is "how different the ruling group and its opponents are, even in terms of ideology."

The constitutional issue on which political debate turned until recently remains of vital concern among South Koreans, Many voters - a majority, some independent analysts believe - continue to hold that direct presiden-



The two dissident leaders - Kim Dae Jung, left, and Kim Young Sam.

'The two Kims' and their followers must now survive in a political environment significantly less sympathetic to them.

tial elections are the only way to assure that national leaders reflect the popular will. Direct elections and the immediate reopen-

ing of constitutional talks are now the basic mands of the Reunification Democratic Party, which was formed by Mr. Chun's principal opponents, Kim Dae Jung and Kim Young im, following the demise of the New Korea

Nonetheless, "the two Kims" and their followers must now survive in a political environment that is significantly less sympathetic to them, opposition sources acknowledge. Internally, there is a growing sense of uncertainty as to the course set hy the party's leaders.

"What we are trying to accomplish is what needs to be done," said an opposition member of the National Assembly, "but I can't tell you that everything we've done is correct."

Such doubts are common among those in the new party who recognize it chiefly as a political vehicle in the traditional Korean mold. As in most other parties formed over the past four decades, personal allegiances act as substitutes for policy platforms among the Reunification ocrats, reinforcing a tendency to avoid the

As in the ruling party itself, internal party democracy in the opposition group is virtually nonexistent. Many supporters are now con-cerned that long-standing rivalries between the followers of the two Kims will threaten the long-term survival of the party, even though its constitution carefully ascribes equal power to both factions.

Outside of Seoul, the opposition duplicates the extreme centralization of the government itself. Just as the ruling party controls all im-portant provincial and local posts through a system of appointments, for instance, opposi-

system of appointments, for instance, opposi-tion legislators are assigned to voting districts by the party apparatus in the capital.

Since Mr. Chun dropped constitutional amendments from the political agenda, in-creasing attention has focused on government plans to decentralize the political system by allowing more autonomy to municipal, county

and provincial administrations.

In essence, the plan calls for the election of currently appointed officials by local councils and the reconstruction of provincial legislatures that were dismantled when Park Chung Hee scized power in 1961. Along with this, the government appears set to loosen some restrictions on the press and release some political

Mr. Chun committed himself to reinstituting the local autonomy system when he came to power seven years ago. The urgency with which the government is now addressing the issue is viewed by many observers as part of the president's effort to repair the political damage sustained by his abrupt constitutional deci-

Nonetheless, an increase in local autonomy is viewed by many observers as one key to the future development of both the ruling party and the opposition.

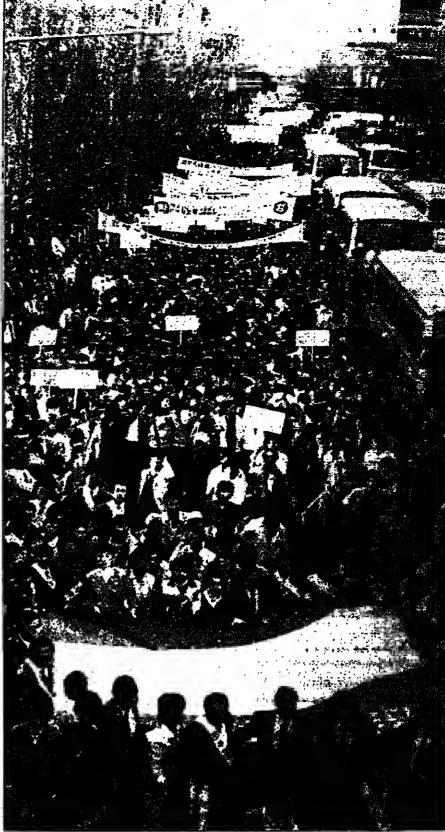
Younger, civilian members of the Democratic Justice Party have long sought to advance it beyond its beginnings in the military and to shape it into a freestanding political institution. The devolution of power will provide an opportunity for this to happen, and it will allow the opposition to draw nationwide support for the first time.

For the opposition, local autonomy will provide an opportunity to reach beyond Seoul and a few other large cities and increase its support throughout the country. In this, the plan is viewed potentially as a turning point in South Korea's political evolution.

"If they are implemented properly, these measures could transform the political picture," one local commentator said. "The opposition would suddenly be able to develop the hacking and the political leaders it needs to

The extent of the government's commitment, however, remains unclear at best, according to political sources. In late April, officials announced that the first phase of the program, involving less than two dozen localities, would begin in January, a month before Mr. Chun's term in office expires.

The plan now under consideration would not be completed until late 1988 at the earliest.



Early last month the opposition took to the streets in Seoul.

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Lesson From Japan On Trade With U.S.

Continued from page 11

Scoul deliberately decided to buy U.S. manufactured goods in place of traditional purchases Japanese, who filed a complaint against South Korea with the international compact that regu-lates world trade, the Genevabased General Agreement on Tariffs and Trade.

But South Korea was playing to an audience in Washington, not one in Tokyo or Geneva, And the decision, well trumpeted by Deputy Prime Minister Kim Mahn Je and Trade Minister Rha Woong Bae on separate visits to Washington, appeared to be a successful gambit for Seoul.

"We will continue to fulfill our commitment to expanding U.S. access to our market," said Mr. Rha in a letter announcing that South Korea, in a recent buying mission, had purchased \$1.8 billion worth of U.S. goods.

"Of this total," Mr. Rha said,

"about \$400 million consists of orders transferred from tradition-

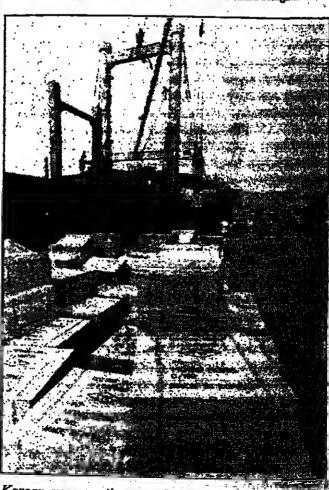
al suppliers in Japan to new ones in the United States. This purchasing mission pro-ceded a flurry of trade liberation. last month in Seoul. These cluded the amountement Scoul intends to freeze its t

surplus with the United States a

its 1986 level of \$7.4 billion it

stead of allowing it to rise to an estimated \$10 billion by the end While Reagan administration officials welcomed the market opening side of the South Korean program, they expressed concern that South Korea might try to control its surpluses by restrain-

Although the United States has called for voluntary restraint agreements with a number of countries, including Japan and South Korea, on steel exports and agreed to limits with Japan on its auto exports, these restrictions go against the free trade rhetoric of President Ronald Reagan.



Korean exports pile up at the port of Pusan



Economic Gains Bring A Growing Maturity

By Patrick L. Smith

EOUL - Like the 169,000 Hyundai antos that arrived in American driveways last year, South Korea is assuming its place in the global economy faster than even its most determined industrialists and planners seem to have anticipated

Propelled by a combination of low oil prices, low interest rates and the revaluation of the Japanese yen - "the three blessings" as they are. known here — national output grew by 12.5 percent in 1986, the world's highest rate of ex-

And because the yen's rise coincided with significant advances in South Korea's auto and electronics industries, the nation established itself decisively last year as a global force in both sectors. Auto exports tripled in value terms, to \$1.6 billion; overseas electronics sales grew 55

Such gains have brought South Korea quickly to a turning point in its economic development. After decades of deficits in its external accounts, the trade and current-account balances have swung into surplus for the first time in the

As a consequence, the massive foreign debt with which South Korea has underwritten its industrialization is now scheduled to decline by nearly a third in the five-year plan that ends in 1991. After peaking at \$47 billion in mid-1985, it stood at \$44.5 billion at the end of 1986.

Only a year ago, by contrast, debt was expected to continue building until it reached a peak of \$52.1 billion in 1990.

Marking the corner the nation has turned in its economic evolution, Seoul is now beginning to drop the emphasis it has long placed on austerity at home and to encourage increased domestic consumption.

"The improvement in our external conditions is a point of transformation for South Korea," said Young Soo Gil, a senior fellow at the Korea Development Institute, a government-funded research center. "Growth and exports are no longer the only priorities."

As many observers had predicted, this advanced state in the nation's economic emergence has been accompanied by increased trade fric-tion and difficult structural adjustments in the high-growth industries of the past.

South Korea's trade imbalance with the United States, its largest trading partner, grew by 70 percent last year, to \$7.3 billion. Not surprisingly, Washington has substantially raised its demands for a liberalized import regime and a revaluation of the South Korean won.

At home, unbridled expansion during the 1970s in such industries as shipping and con-struction has left them financially fragile and overdeveloped in relation to current world demand. Increasing competition from lower-wage nations is also threatening a number of the nation's largest producers of traditional exports. Some of these problems have retarded the

government's long-term effort to reduce its role

in the economy. Debts of an estimated \$6 billion among ailing shipping companies and overseas contractors have forced officials to intervene by underwriting rationalization plans and assisting

in the disposal of poorly performing assets. Chiefly to avoid collapses among creditor banks, the government disclosed plans in early April to restructure more than two dozen troubled concerns in these two sectors, with the support of 15 companies that have better sur-

vived recent industry downturns. The central bank and the Finance Ministry have similarly intervened to offset the inflationary effects of last year's 35 percent rise in export enues and a consequent surplus of \$4.6 billion the current account.

With money supply expanding at an annualized rate of nearly 20 percent, the government has dampened speculation in the property sector and suppressed prices in the share market by forcing local institutions to sell off substantial

oportions of their portfolios. These policies apart, what has struck foreign analysts in recent months is the increasing sense of maturity with which Seoul is addressing many of the problems that have come with its success.

Despite official reluctance, the South Korean won has been allowed to appreciate steadily, if slowly, against the U.S. dollar. It rose 3.4 percent in value last year and is expected to gain an additional 7 percent by the end of this year.

The government has also substantially advanced the five-year timetable set in 1983 for the liberalization of domestic markets.

Accompanying these measures, the government disclosed last month a wide-ranging initiative intended to reduce the role of exports as a contributor to economic growth and to begin encouraging import consumption among manu-The measures include the withdrawal of long-

standing export subsidies and the provision of \$2.5 billion in low-cost Central Bank credits for isinesses purchasing imported capital goods. Public spending on such projects as schools, hospitals and roads is also scheduled to increase. Local economists and foreign analysts view these steps as the most important indication to date of South Korea's increasing economic selfconfidence. They mark, in effect, the nation's first effort to advance beyond the export-led development strategy that has been the key to its

occess since it was adopted in the early 1960s. The official targets are to maintain the current account surplus at roughly \$5 billion in coming years and to balance the contributions to gross national product made by exports and domestic

Neither will be easy to meet in the near term, according to most economists. This year's current account balance is already expected to reach \$7 billion to \$8 billion and could run as high as \$10 billion. Overall growth is also expected to exceed the official forecast of 8 percent

Exports are increasing at roughly the same rate as last year, when they accounted for about two-thirds of GNP expansion. Growth in capital investment household consumption, while not

ECONOMIC PROFILE

Year on year, grawth in total GNP lost year rose from 9.9 percent in 1Q to a high af 15 percent in 3Q before falling back to 11.8 percent in 4Q.





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+ 9.5%

+ 2.9%

+ 9.8% +15.5%+16.3% 110.7%

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Q3

Photos from top: Hires/Gomma: Burnett/Gom

unhealthy, falls well short of expansion in the export sector.

In the longer term, the young technocrats urging a basic shift in South Korea's economic priorities must also contend with a high degree of bureaucratic inertia. a variety of nontariff barriers and an engrained tendency to preserve foreign exchange.

These are potentially significant barriers to

the effective implementation of Seoul's new policies, Nonetheless, the nation is widely credited with having taken the first steps toward more balanced growth and smoother trade relations.

"The change in direction is clear," a foreign diplomat said after the government's initiative was announced. "The question is whether the technocrats will triumph, whether they can move the guys running steel plants and factories."

Domestic Demand Fuels Dramatic Expansion of Crude Steel Production

By Erwin Shrader

EOUL - As Japanese, U.S. and Europeao steelmakers shrink, South Korea's relatively young steel industry grows, and in dra-

Kwangyang Bay, on the country's southern coast, once produced some of the best fish and edible seaweed oo the Korean peninsula — but no longer. In early May, with the dedication of the \$1.18 billion first phase of Pohang Iron & Steel Co's (POSCO) second integrated mill, the formerly tranquil bay started yielding steel.

The state-owned plant, which employs the continuous-casting process, increases POSCO's crude steel production capacity by about a third to 11.8 million tons per year. Work on a second phase is under way. Its 17 million tons of capacity, when com-pleted in late 1988, will push South Korea well up among the top 10 steel-producing

nations of the world.

The expansion of POSCO, which produces more than 60 percent of South Korea's crude steel, and other smaller Korean steelmakers has been keyed to low construction and labor costs, melded with the latest in Japanese and Western iron and steelmaking technology.

Korean-made steel is among the cheap-est in the world. This has won it markets worldwide, notably in the United States, which took in about a third of South Korea's \$2.7 billion in steel exports for 1986.

Last year, direct exports accounted for about 30 percent of total steel production in South Korea, down from a peak of 44.5 percent in 1982. Sluggish world demand plus voluntary export-restraint agreements with the United States and the European Community have dampened overseas sales

Kim Kyo Sung, director of the Ministry of Trade and Industry's iron and steel division, said that exports in 1987 were expected to drop 1.5 percent in volume and increase only | percent or so in value.

The purpose of expanding our capacity is to meet domestic demand," said Mr. Kim. by way of calming trading partners with beleaguered steel industries. Through 1990, he said, growth in local demand for steel goods is projected at 7 percent per year, outstripping increases in local pro-

Pushing POSCO and other steel companies to their limits are South Korea's car and consumer electronics industries, which have made dramatic export gains in the past two years, (About a third of South Korean crude steel production is exported

This year, even South Korean shipbuilders, in a slump until recently, are placing larger orders for steel plates. Meanwhile, ... demand from the construction sector, South Korean steel's biggest customer,

holds steady. South Korean manufacturers continue to import significant volumes of specialty and high quality steels. Local steelmakers, at the urging of the government, have invested

to broaden their product range. Earlier this year, POSCO started up a cold-roll mill at its main plant in Pohang to supply carmakers with high-grade steel sheet much of which they have had to import from Japan. A similar plant is uoder construction at POSCO's Kwangyang com-

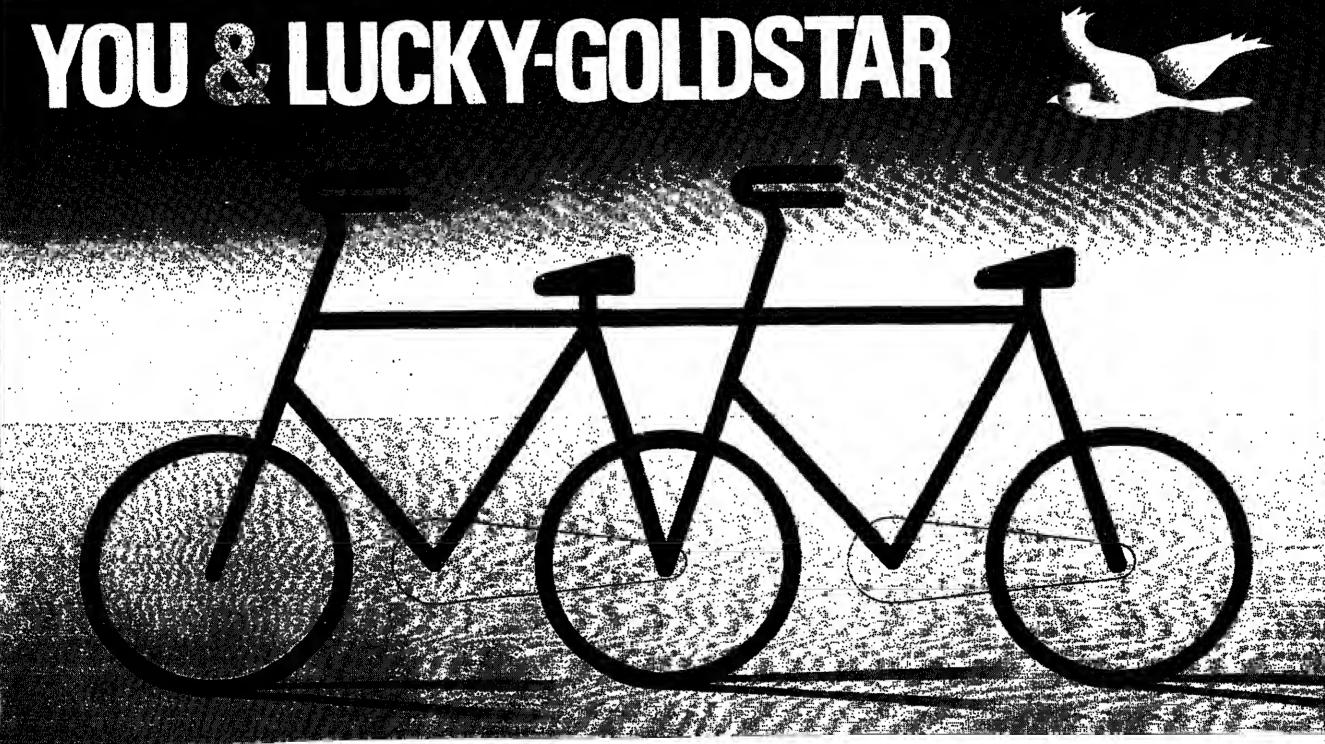
POSCO has plans for two additional steelmaking phases at Kwangyang that

Growth has been keyed to low building and labor costs melded with the latest in technology.

would round out the company's crude steel capacity at 18 million tons per year some-time in the mid-1990s. For now, however, it is still wait and see, said Mr. Kitn of the Ministry of Trade and Industry, suggesting. that foreign trade restrictions on South Korean cars and other emerging exports might discourage further expansion.

As a hedge against protectionism, a prof-it-rich POSCO last year agreed to spend \$240 million to help modernize a USX Corp. finishing plant in Pittsburg, California. As part of the deal, POSCO will supply the plant with a million tons of steel coils each year, beginning in 1989, which is when the current restraints on South Korean steel imports expire.

ERWIN SHRADER is industry editor for-Business Korea, an English-language month-ly magazine published in Seoul.



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Industries Cautiously Explore Investment Moves Into Southeast Asia

Labor costs in

higher than in

Thailand and

as in Malaysia,

and way below

those of Japan.

Indonesia,

By Michael Richardson

INGAPORE - Under pressure from a rapidly rising yen and the threat of protectionism in some of their major markets, Japanese manufacturers have been forced in the past two years to relocate many factories overseas, with Southeast Asia becoming a favored target since early 1986.

After years of tight government control over offshore investment, there are signs that South Korean companies will also develop a more substantial stake in the region

The government in Seoul recently announced that it would relax its overseas investment rules and allow South Korean banks abroad to lend more liberally for that purpose. Pressure from the United States for revaluation of South Korea's currency, the won, may also encourage South Korean manufacturers to establish operations abroad.

But foreign analysts and South Korean busi-nessmen and officials in the region caution that this shift is only expected to be of gradual benefit to members of ASEAN, the Association of South East Asian Nations linking Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand

In a recent survey of the South Korean economy, Political & Economic Risk Consultancy Ltd., a Hong Kong-based group of con-sultants, said it expected "a boom in overseas foreign investment" to follow the govern ment's relaxation of rules. But it said that this investment was likely to be widely dispersed.

Koo Cha Hong, managing director of Gold Star Co. Ltd. in Singapore, said he believed that South Korean companies would, in the future, undertake more direct investment and joint ventures in ASEAN countries. His firm is a member of the Lucky Goldstar group, South Korea's third largest industrial, trading and financial conglomerate after Samsung and Hyundai, measured by 1986 turnover. South Korea's intal investment in ASEAN

amounts to less than \$200 million, only a fraction of the funds committed by the United States, Japan and West European nations. By contrast. Japan's investment in Indonesia alone is more than \$8.5 billion.

Mr. Koo said that ASEAN countries wanted Japan and South Korea to "come in and con-tribute to economic development by investing and not just selling. We understand that, I feel that South Korea may be able in provide a viable alternative to Japan in technology transfer for ASEAN."

South Korea has worked hard on research and development to build its own technological base. The success of Hyundai's cars in export markets testify in this, although they have been helped by the strong yen, which has made similar Japanese vehicles substantially more expensive.

The two latest South Korean models, Pony Excel and Stellar, first appeared in Singapore last September. The dealer reported recently that they had captured 18 percent of the local market for new cars, just behind the bestselling Japanese Honda,

However, South Korean officials said that the first industries to move offshore were likely to be small and medium-sized labor intensive



Workers at the Hyundai auto plant in Ulsan.

clude plants for cement and plastics in Singa-

pore, forestry, plywood, steel fabrication and chemicals in Indonesia, and cement, rubber

Mr. Koo said the Lucky Goldstar group is considering joint ventures for manufacturing color television sets in Thailand, textile ma-

chinery and electrical tools in Indonesia and

clectronic items in Malaysia.

Labor costs in South Korea are higher than

ductivity of South Korean workers and the

quality of their output is generally superior to that of most ASEAN countries, according in

Mr. Koo noted that labor costs in Japan's

electronics industry were four or five times

higher than in South Korea. "So Korean com-

panies in general still want to concentrate their

Southeast Asia's experience of Japanese and

South Korean business practices has been far

from uniformly favorable, particularly in the

construction industry.
In the early 1980s, Japanese and South Ko-

supplies, skilled labor and technicians, and

A focus of this criticism was Asia's longest

investment at home," he added.

South Korean busine

withholding know-how.

Thailand and Indonesia, almost the same as in Malaysia, significantly lower than in Singa-pore and way below those of Japan. The pro-

products and furniture in Malaysia.

enterprises, not high-tech ones. They said the most promising locations in the ASEAN area bridge connecting Penang Island with the Ma-laysian mainland. The 6-mile (10-kilometer) were Thailand and Indonesia because wage costs were relatively low and domestic markets large. Established South Korean investments in-

Sangyong Construction recently completed work in Singapore on the Raffles City comtwo large contracts - the second terminal section of the rapid transit project.

But overbuilding in Singapore and economic recession in Malaysia and other parts of South-

rean companies won the lion's share of major contracts in Malaysia, prompting charges from local firms that they were underbidding, making too little use of Malaysian equipment, South Korea has consistently bought much more than it has sold to ASEAN, reflecting its interest in securing supplies of raw and semi-

bridge was completed in 1985 at a cost of \$314 million by Hyundai Engineering and Construction Co.

In Singapore, where South Korean construction firms have won tenders worth \$1.87 billion, there were similar rumblings of complaint from contractors. The government is now of-fering preference to Singaporean contractors in bidding for public sector contracts, either as independents or in joint ventures with foreign firms. It is also encouraging local firms to form partnerships with experienced foreign con-struction companies to find offshore work.

plex, which includes the world's tallest hotel, the 72-story Westin Stamford. Hyundsi has huilding at Changi international airport and a

east Asia have sharply curtailed big construc-tion projects. As a result, many South Korean firms have scaled down their presence or pulled out altogether.

Largely because of the fall in the price of oil. gas and many other raw materials imported by South Korea, the value of two-way trade with ASEAN has fallen in the last year. In the decade to 1983, trade increased more than fivefold to \$3.24 billion. It reached a peak of \$4.2 billion in 1985, before dropping back to \$3.4 billion last year.



Radios are assembled at a Lucky-Goldstar factory in Seoul.

processed materials needed for its expanding adjustrial sector.

Main imports include crude oil, liquefied natural gas, petroleum products, lumber, rub-ber, tin, copper and agricultural commodities. Major South Korean exports to ASEAN are ted products, electrical and electronic goods, ships, textiles, machinery, synthetic resins and

other manufactured items. In its survey, Political and Economic Risk

Consultancy Ltd. said that South Korean companies were still looking mainly toward joint ventures for mineral resources.

It said the goal of the government in Seonl was to get South Korean enterprises, working alone or in joint ventures abroad, to produce a substantial portion of the country's requirements of coal, oil, uranium, copper, iron ore, sulphur and other essential feedstock that is nonexistent or in short supply at home.

South Korean companies are involved in petroleum production in Indonesia, sulphur mining in the Philippines and have just started drilling for oil in waters off the east Malaysian state of Sarawak,

MICHAEL RICHARDSON is the Southeast Asia correspondent for the International Herald Tribune and is based in Singapore.



Announcing the Business Korea **Yearbook 1987/88**

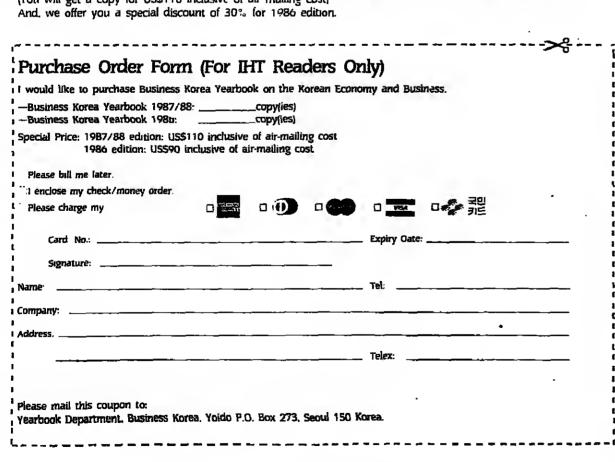
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Keeping the Edge on Taiwanese

By Patrick L. Smith

▼ EOUL —"It is better to be the head of ancient Chinese saying has it." For industrialists in many East Asian socicties, this earthy aphorism is a natural guiding principle. In terms of economic structure, it marks the chief distinction between South Korea and Taiwan, which is South Korea's closest economic competitor and the nation with which it is most frequently compared.

Centered on its chaebol, or family-held business clans, South Korea's economy is heavily dependent on the productivity and financial health of a few dozen conglomerates that tower over the economy.

Together, the leading chaebol account for nearly a quarter of gross national product; the largest among them, the Hyundai group, speaks for 2 percent to 3 percent of total output by itself.

By contrast, Taiwan is a nation of about 60,000 small and medium-sized producers. most of which have only a handful of employees. Manufacturers so classified make up almost all of the island's industrial base and account for three-quarters of its overseas ship-

In this respect, at least, each nation admires the other. The chaebol bave enabled South Korea to make feet-first entries into heavy and high-technology industries such as steel, autos and semiconductors and to borrow heavily in hard currencies to do so.

The chaebol project South Korean brand unes into global markets more effectively an those of any nation in Asia other than the beautiful than the names into global markets more effectively than those of any nation in Asia other than Japan. Research and development spending, a key to future growth for both South Korea and Taiwan, is 1.8 percent of national output in

'It is better to be the head of a chicken than the toe of a bull.'

South Korea, compared with less than 1 per-

At the same time, Taiwan has developed a degree of flexibility among its manufacturers

Producing chiefly for foreign brand names, companies can jump from Hula Hoops to plastic sandals and on to computer casings according to market demand. A significant portion of Taiwan's output is in components a such companies as IBM, Xerox and AT&T.

Taiwan suffers none of the overconcentra-

concern that the island's entry into high-tech,

"They come here to learn how to encourage mergers and concentrate resources," a government economist in Seoul said recently. "We go there to learn how to cultivate our small and

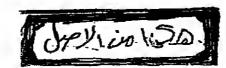
Both Taiwan and South Korea have exported their way from poverty to relative affluence in the past quarter of a century, and many of the industries on which this process has been based — textiles, footwear, toys, furniture and simple electronics - are as prominent in one economy as they are in the other.

There are other similarities. Reflecting an overcuphasis on production during the crucial stages of industrialization, both suffer from underdeveloped banking and financial sectors and relatively unsophisticated management techniques among corporations. Export depen-dence has kept wages in check and retarded

public and private consumption at home. Now Taipei and Seoul face the same challenges. Chief among them is how best to climb the technology ladder, leaving behind the industries that have brought them to the edge of full development without significant economic

Equally, international competition and the threat of protectionism are forcing both to open their markets more quickly than they had intended and to begin stimulating their domes-







Shoppers make their way through a crowded street in central Seoul.

Steps Toward Democracy Slip

Continued from page 11

But progress under Mr. Churi on the North Korean question has not been significant, leading many South Koreans to conclude that he has relied on the security threat, as his predecessors did, to justify barsh domestic policies.

Given Mr. Chun's shortcom mes on such issues, few South Koreans view his presidency as the break with the past that Mr. Chun had hoped his term would represent. Although he has demonstrated an awareness of the nation's fundamental social and political problems, he is seen to have done little to solve them.

Instead, the president is likely to retire nine months from now as a distant, unapproachable leader who is unable to take advice, some associates indicate, even from trusted party leaders.

A newspaper poll conducted earlier this year indicated that 86 percent of those questioned disapproved of his government.

Apart from Mr. Chun's diplomatic advances and the health of

the economy, what has lent his regime a limited degree of legitimacy, ironically, is his willingness to abide by his own constitution in stepping down at the end of his term in February.

More than anything else, however, the cancellation of constitutional talks in April is seen to mark a failure on Mr. Chun's part to deliver the peaceful transfer of power to which he has long been

committed. At a national convention scheduled for June 10, the governing party is expected to designate Roh Tae Woo, the party chairman, as its candidate to

ations of mature politicians are

Mr. Chun has long promised to

begin a long-term effort to de-volve political power in South

Korea downward by reconstitut-

ing provincial legislatures and al-

officials who are currently ap-

pointed by Seoul. Only now,

mounted a belated drive to devel

In a year of frustration and

ssential step if South Korea is to

develop a political system com-

mensurate with its economic ad-

vances. Encouraging the process.

regardless of the potential politi-

cal cost, is likely to be one key to

the legitimacy of the leader elect-

ed later this year.

nism, this has emerged as an

op a local autonomy program.

ing localities to elect many

succeed Mr. Chun. Although Mr. Roh's nomination has been anticipated for some time, his probable election under the current constitution is expected to reinforce the view that he represents no significant change from Mr. Chun.

Mr. Roh has been a close associate of Mr. Chun since their graduation in 1955 from the Korea Military Academy. Like the president, he is closely identified with the suppression of a popular uprising seven years ago in the southern city of Kwangju, during which at least 200 students and workers died.

"Roh's ascendancy may or may not be peaceful," a local commentator said recently. "But either way, not many South Koreans will accept it as a transfer of

The profound sense of disappointment with which South Koreans view recent developments is focused on both sides of the political countion. Increasingly, both Mr. Chun and his opponents are recognized as similar products of a political system that has stubbornly resisted modernization.

Centuries of overcentralization in Korea, according to academic analysts, have deprived the nation of the intermediate political institutions through which gener-

Higher Liquidity May Help to Free Banks

The Rising Stock Index

EOUL - South Korea's banks remain the soft underbelly of an otherwise ebullient economy. They are heavily subject to government intervention and reliant on government support due to their heavy exposure to "problem" companies, particularly

in the construction and shipping sectors.

Although government officials like to expound their faith in liberalization of the banks, which would theoretically improve their ability to make profitable judgments on their own, this goal seems far off.

But two economic achievements last year suggest the system could be closer than expected to a more indepen-

The most striking of these was the country's substantial current account surplus of \$4.65 billion, which is expected to grow this year. Also, 1986 was the first year when savings exceeded investment; the savings ratio shifted up a point to 32 percent, while the investment ratio fell a point to 31

With these two developments, some of the best arguments for controlling the banks have disappeared. South Korea has historically been a capital-scarce economy, dependent on foreign loans, which have made it the world's fourth largest debtor. External debts reached \$46.8 billion.

or 57 percent of gross national product, in 1925. Because of the funds scarcity, the government has taken a strong hand in the management of finance. Now, higher savings rates mean that policies such as interest-rate fixing to draw money into the banks (and out of illegal curb

markets) could start to be relaxed. All this, of course, is not as simple as it sounds. As Deputy Prime Minister Kim Mahn Je explained. "We have a financial system geared to life in deficit; you cannot

suddenly go into reverse gear overnight."

Indeed, efforts to cope with the increased liquidity probably has reinforced rather than reduced the govern ment's presence in the daily operation of South Korean and foreign bank branches.

It will take more than a few years of current account surphises to weaken the close ties between the banks and government. The country's four main commercial banks were state owned until the President Chun Doo Hwan came to power in 1980. In the name of liberalization, they ce been sold off, but their presidents continue to be selected by the Ministry of Finance, frequently from its

Loan decisions have traditionally been made for bureaucratic or political rather than for business reasons, leaving the banks with large portfolios of bad loans. Estimates of the size of these loans, mainly extended to shipping and construction firms, are difficult to make because the figures are kept secret. While most banks reported improved profits last year, this does not take into account many nonperforming loans listed as bealthy in their published

Based on borrowings from the Bank of Korea, three banks - the Commercial Bank of Korea, Choheung Bank and the state-owned Korea Exchange Bank (KEB), grew the fastest last year. KEB has recently been saddled with the management of Pan Ocean Shipping, whose shaky financial condition faced a new crisis in April, when its chairman, under investigation for tax evasion and capital flight, jumped to his death from his office in Seoul.

For foreign banks operating in the country, South Korea is becoming a more complex, more difficult place to make money. The most obvious change, once again, has come with the current account surpluses: Debts are being pre-paid or refinanced on improved terms. In 1986, total external debts fell \$2.2 billion, and the drop could be \$3 hillion this year.

As one U.S. banker said, "Looking at the situation in simplistic terms, we do well when the economy is in trouble, and badly when things are on a roll, which they are

for the time being."

External sovereign debts, usually to South Korean banks government borrowers such as Korea Electric Power Co., are generally negotiated through Seoul and Hong Kong branches of the foreign lenders and signed in Hong

Local lending by foreign bank branches has also been

affected by the changes in the current account and debt positions. Competition for customers has become tighter and restrictions on foreign borrowing to reduce debts have affected business.

There is a sense that we are not needed here anymore,"

said a foreign branch manager. In the past year, Morgan Guaranty has downgraded its presence here, and Mellon Bank closed its representative office, withdrawing entirely from the country. A number of U.S. banks, under particular pressure from their head offices to produce results, have become especially sensitive

to falling returns. While U.S. banks talk more of developing their nonloan fee-taking services in South Korea, it is the cash-nch Japanese, traditionally viewed with deep suspicion in South Korea because of their past role as colonial masters. who are moving in, offering unbeatable rates to increasingly picky customers.

On the active secondary market in South Korean assets in Hong Kong, bankers say that the pattern is clear; U.S.

banks are selling and the Japanese are buying. In 1984, the government pledged to conduct a step-by-step liberalization of the banking sector to help foreign banks. This was initially greeted as a victory by the foreign bankers, but few at this stage are happy with the steps taken. They say the changes have still not significantly dealt with their main problem — raising local funds.

PAUL ENSOR is the correspondent in Seoul for the Far

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A basketball game in progress at Seoul's Olympic Stadium. North Korea wants to host a third of the 1988 Games.

North, South Grope Toward Talks

By Patrick L. Smith

Silence between North and South Korea, the possibility of renewed talks suddenly re-emerged this spring, apparently reflecting a diplomatic opening that Washington has offered the Pyongyang government.

A series of talks covering trade, family reunions and parliamentary exchanges, begun three years ago, was broken off in early 1986, when Pyongyang protested joint military exercises held annually by South Korean and U.S.

The only point of contact since then has been through the International Olympic Committee, which is trying to negotiate an agreement under which North Korea would participate in the 1988 Olympic Games in Seoul.

The current flurry of proposals and counterproposals was signaled in December, when kim Il Sung, the North Korean leader, suggested in a specifical and the two sides hold a

"high-level political and military meeting."
Subsequently. Pyongyang augmented this in proposing the simultaneous resumption of discussions on trade and exchanges. It also agreed to discuss a dam project north of the Demilitarized Zone that Seoul views as a threat to its

Analysts view these proposals, advanced in early March, as a partial effort to meet the conditions that South Korea has set for the resumption of negotiations. Pyongyang's approach, some heiteve, may be in response to a U.S. decision in February to loosen long-standing restrictions on contacts between U.S. and North Korean diplomats.

In the most recent communiqué, sent to North Korea on April 10. Seoul agreed to a prime ministers' summit meeting hut insisted that the lower-level talks, including those covering the hydroelectric project, be held first.

"To have progress in our talks, there must be a modicum of trust," said Chang Sun Sup, director general for U.S. affairs at the Foreign Ministry, "And to have that, the suspended talks must resume before we can discuss military and political matters."

The North has not yet responded to Seoul's most recent proposal. But analysts are divided as to how anxious either side is to restart negotiations.

Washington has been trying to bring the two sides hack to the hargaining table in order to reduce tensions on the Korean peninsula before the Olympic Games and the transfer of power from President Chun Doo Hwan to his successor.

So far, North Korea has not accepted a

proposal under which it would host two full Olympic events and parts of two others. Its current position, based on the relative populations of the two sides, is that it should host a third of the Games — six more full events than have been offered.

A further meeting of the Olympic committee involving both sides is to take place in the next

Recent shifts in U.S. policy toward South Korea also suggest that Washington has become increasingly concerned about the fragility of the nation's poliucal evolution.

Beyond the easing of diolomatic regulations with the North, the United States has reportedly indicated that it would permit limited bilateral trade, lift visa restrictions on North Koreans and withdraw its objections to North Korean membership in some multilateral organizations.

But all of these possible steps are predicated on a resumption of North-South talks, according to reports from Washington.

Seoul has accepted the U.S. initiative, the extent of which has not been officially confirmed, with evident concern. It fears that a rapprochement between the United States and North Korea, which is a Soviet ally, could reduce its role in an eventual settlement of the peninsula's political problems.

U.S. Concerned by Pace of Change,
Urges More Open Political System

By Ralph N. Clough

ASHINGTON — President
Chun Doo Hwan's announcement
of April 13 ending negotiations
with the opposition on a revised
constitution caused deep concern in Washing-

The U.S. government, in a speech last February by the assistant secretary of state for East Asian and Pacific affairs, Gaston J. Sigur Jr., had firmly backed the constitutional reform effort, which began early last year.

effort, which began early last year.

"Old patterns no longer suffice." Mr. Sigur said. He urged the contending parties to make compromises in order to reach a consensus on a more open and legitimate political system. a change "essenual for the future of the Republic of Korea and for the future of our bilateral relations."

Mr. Sigur questioned the wisdom of the South Korean military continuing to play an important role in politics. Secretary of State George P. Shultz confirmed during his visit to Seoul in March that Mr. Sigur's speech reflected U.S. policy.

ed U.S. policy.

The U.S. government's support for greater democratization in South Korea rests on a widespread recognition that social change resulting from rapid industrialization and urbanization has created a broad middle class that wants a government more responsive to the popular will.

It is recognized also, however, that the desire for political change is tempered by conservative tendencies, respect for authority and hierarchy, and a desire for stability in the face of the security threat from North Korea.

U.S. officials are concerned about rising anti-Americanism in South Korea, particularly among students. Many students accuse the United States of supporting an unpopular military leader who came to power through a com-

tary leader who came to power through a coup. Washington had hoped that the ruling Democratic Justice Party and the principal opposition group, the New Korea Democratic Party, could reach an agreement on constitutional revision, but as Mr. Sigur noted, the negotiations produced "more rhetoric than results."

The Democratic Justice Party made early concessions to get the negotiations started, but thereafter neither side showed significant flexi-

Thus, when the opposition split. President Chun chose the occasion to hreak off the talks, deciding to hold the presidential election this year under the existing constitution.

The opposition has strongly criticized that constitution because it allows Mr. Chun to choose a successor by manipulating the election of the 5.000-plus members of the electoral college. However, the constitution does force Mr. Chun to step down in February 1988, rather than cling to power indefinitely as Park Chung Hee had done.

Mr. Chun has repeatedly promised to step down then. The U.S. government expects him to do so, bringing about the first peaceful



George P. Shuliz

U.S. officials are concerned about rising anti-Americanism in South Korea, particularly among students.

change of leaders in modern Korean history.

Disappointment at the deferral of the constitutional revision process to 1989 probably will cause the opposition to promote more public demonstrations against the government and student radicals may well try to step up violent action. But the government's large, well-trained police force has demonstrated its ability to pre-empt or contain demonstrations. South Korea is not ripe for the kind of popular movement that brought down President Ferdinand E. Marcos of the Philippines.

Nevertheless, a trend toward repression rather than the liberalization favored by Washington would increase the strain between the United States and South Korea at a time of growing friction over trade issues.

Moreover, increasing political polarization,

clashes with students and a growing number of political prisoners would encourage obduracy on the part of North Korea and reduce the prospects for a frintful North-South dialogue. The United States recently has given signals to North Korea that it hopes may help ease

minist.

tension on the Korean peninsula. For example, Washington has played down military exercises in South Korea.

The State Department authorized us diplomats to hold substantive conversations with their North Korean counterparts in neutral

foreign accasions, evolving a favorable reaction

from the Foreign Ministry in Pyongyang.

The United States has also indicated that further steps are possible, such as an easing of the U.S. trade embargo on North Korea, if the North Koreans entered into a constructive dizlogue with South Korea and took part in the 1988 Olympic Games in Secul. These moves were discussed by Mr. Shultz with Chinese leaders on his recent visit to Beijing.

The United States and China share a concern for stability and a lowering of tension in Korea. Both see the limited steps taken by the United States toward North Korea and the increasing trade and contracts between China and South Korea as contributing toward these objectives.

Although Mr. Chun's decision to defer the constitutional revision process to 1989 appears irreversible, the South Korean government could take action to moderate the adverse propact of the decision.

It could ease controls on the press and permit journalists forced out of their jobs early in the Chun administration to be re-employed. It could release political prisoners. It could also modify the election laws governing campaigning for the electional college in order to give the opposition a fairer opportunity and make it less likely to boycott the election.

Most important, it could make clear that whoever is elected in 1988 would not serve the full seven-year term provided under the present constitution, but would be prepared to step down at an early date so that new elections could be held under a revised constitution. Such moves would help to counteract the view that progress toward a more democratic system in South Korea has been halted or reversed.

Political turbulence in South Korea would place the U.S. government in a difficult position. Military readiness against the threat from North Korea and measures to reduce the U.S. trade deficit will require close cooperation with the government of South Korea.

Yet working closely with a government that resorted to excessive repression of the opposition would be difficult. U.S. officials recognize that they have only limited influence and that they will inevitably be criticized by both sides. They expect a troubled year.

RALPH N. CLOUCH is a lecturer and coordinator for The China Forum program at the Johns Hopkins School for Advanced International Studies in Washington.



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Page 17

INTERNATIONAL STOCK MARKETS

High Liquidity From Profits Is Driving Stockholm Boom

By JURIS KAZA

TOCKHOLM — Traditional Swedish summer doldrums are about the only factor that can slow the house market in Stockholm, according market in Stockholm, according to many analysts. Share prices have risen more than 13 percent since the beginning of the year and are np more than 35 percent from a year ago.
The total market value of shares listed in Stockholm surged past 500 billion kronor (about \$80 billion) in late April and was nearing 530 billion kronor by the end of the first week of May. The widely watched Assarsvaerlden index, which stood at 615.7 on May 9, 1986, hau climbed to 720.9 on Jan. 27, the first trading day this year. On Monday the index stood at 816.5, down

from 824.9 on Friday. Analysts agree that the driving force behind the boom has been

In Europe, it's rare

to find any market

that can survive on

domestic liquidity

high liquidity on the domestic market resulting from the good corporate profits of recent years.

With interest rates falling since the turn of the year, corporations have been shifting cash from the money market

Private individuals have also been pumping funds into
the market. The government decided to allow Swedes to deposit

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an extra 5,000 kronor in both the first and second quarters into tax exempt, so-called Everyman's Mutual Funds. Normally, the maximum annual deposit is limited to 9,600 kronor.

Wage-earner funds, public investments funded by a tax on corporate profits, are also expected to pour several billion kronor into the market as their revenues increase along with higher corporate earnings.
"There's still a lot of attraction left in the market," said Tim

Youngman, an analyst with London's Savory Milln Ltd. "Looking across Europe, it's rare to find any market that can survive on domestie liquidity alone." Corporate financial assets increased by 30 billion kronor to 190 hillion kronor last year, said Brian Knox, a specialist in Scandinavian shares in London's Kleinwort, Grieveson Ltd. That leaves

the corporate community alive and kicking and filled with cash to bay itself up with.

The other striking thing about the market," he said, "is that which is missing. There have been no new issues. Now a few companies may be waiting in the wings, but even with them, it looks like new issues will be lower in Stockholm than in, say,

OR FOREIGN and domestic investors, the strategy in Stockholm, once again, is to assume that nearly everything will appreciate because of the marker's technical condition. "Everyone looks at the market with a trading view, checking

the charts for what has underperformed, rather than looking at earnings or forecast," Mr. Youngman said.

Haakon Holmberg, an institutional trader at the brokerage firm of Consensus Fond Kommission, said: "Our view is to definitely buy on weakness. The downside here can't be more than 3 or 5 percent, maybe in lete June, when the holidays start."

Diana Barran, an analyst at Enskilda Securities, a London investment healt corned his Sueden's Strandingvicka Enskilda investment bank owned by Sweden's Skandinaviska Enskilda Banken, added, "The market may go sleepy over the summer but in the final six months of the year, another 15 percent increase on the indexes is possible."

Mr. Knox and Mr. Youngman also spoke of potential rises of up to 15 percent or 20 percent.

Mrs. Barran said that Enskilda's core portfolio included the

Swedish multinational Electrolux AB, the gas company AGA Group, the car maker Saab-Scania AB and Perstorp, the maker of chemicals and coatings.

Some analysts said that Volvo AB, Sweden's largest automaker, could benefit from investor switching after Saab-Scama said last week that it expected lower earnings this year.

The market dropped last week on the news from Saab, and some Swedish commentators interpreted this as a sign that Stockholm's bulls might be getting nervous as well.

Currency Rates

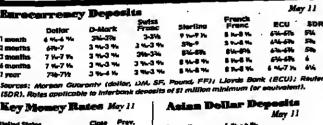
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Luxembours, Paris and London efficial fine trade gap with the Japanese, which in the last fiscal year leaped to a record \$18.21 billion in its favor, closing prices; New York soft market close.

Tokyo reported in April. But, the

Peugeot **Net Soars** To Record

Sixfold Rise Helps Restore Dividend

By Axel Krause International Herold Trimme

PARIS - The French automaker Peugeot SA said Monday that consolidated net profit rose last year to a record 3.59 billion francs (about \$600 million at current exchange rates), more than six times the 1985 level, and that it would pay its first dividend since 1981.

It set the dividend at 10 francs (\$1.67) a share. The figures far exceeded predictions by analysts.

In a major turnaround from a net loss of 341 million francs in 1984, Pengeot posted a net profit of 543 million francs in 1985, Expectations for 1986 profit had ranged from 1.5 billion to 2 billion francs.

However, Jacques Calvet, the group's chairman, said that be-cause of accumulated losses in previous years, Peugeot had been exempt from paying French corporate income taxes since 1985. Other executives at the company said that the exemption would con-tinue until the end of this year.

"We have begun the year in a favorable position," Mr. Calvet aid, "yet weaknesses subsist. We are still not at the same levels as others" in profit.

He said that the net profit represented 3.4 percent of Peugeot sales last year, compared with 9 percent for Fiat SpA, 6.2 percent for Chrysler Corp., 5.3 percent for Ford Mo-tor Co. and 4 percent for Toyota

Mr. Calvet also cautioned that the group's short- and medium-term debt declined by "only" 2 billion francs in 1986, to 30.5 bil-

He said that Peugeot was making "substantial progress." Sales in the first quarter ended March 31 rose 11.4 percent over a year before to 28.5 billion francs. The figures inchided a 5.1 percent gain by the Peugeot-Talbot division and 15.4 percent by Citroën.

Group sales in 1986 rose 4.6 per-cent to a record 104.9 billion. francs, with France accounting for 48.2 percent and Western Europe for 51.2 percent, company execucovered superconducting materials.

In sales volume, Peugeot ranked second in France after Renault SA, overcoming the most important rethe state-owned automaker. In maining technical barrier to applica-Western Europe it ranked fourth, tions ranging from high-speed comahead of Renault.

while, that the company has been holding exploratory talks for several years with Libya on building a while, that the company has been Yorktown Heights, New York, announced Sunday that the huge currents had been measured in a specially plant near Tripoli.

The new superconductors work at temperatures of about 280 degrees Fahrenheit, (minus 321 degrees Fahrenheit, interfered with the current flow. The new superconductors work at temperatures of about 280 degrees Fahrenheit, (minus 321 degrees Fahrenheit, interfered with the current flow. The cially prepared film only one-cially prep

But Jean Boillot, chairman of Peugeot's automobile division, said that the discussions were "not very monly used in electronic circuits, new generation of technologies of advanced" and had been "compliment that the discussions were "not very monly used in electronic circuits, new generation of technologies of kelvins, or minus 452 degrees, it was still must improve the materials in more than 5 million.

Several ways, making them stronger ways, making the stronger ways, making the stronger ways, making them stronger ways, making the stronge cated by the current political situa- on the surfaces of chips. Mr. Boillot said that the domes- by opened the door to applications been trying to measure and im- trie Corp., who made some of the tion" in Libya.

tic market in Libya "could prove such as electronie devices, circuits prove. promising" for Peugeot, where the computer-chip interconnections, sales are in the range of tions, power transmission lines, elec-70.000 to 100,000 vehicles, mainly tric motors and electromagnets." pickup trucks and cars.

A New Entreaty for Reagan Bonds



Traders at Salomon Brothers in New York during bidding for the U.S. Treasury's 30-year bonds.

By Patrick L. Smith

International Herald Tribine
TOKYO — As the results of the U.S. Treasury's quarterly credit auction began to emerge last week, Bank of Japan officials, like their counterparts in Washington, quiekly sought to put the best face on it.

The prominence of Japanese investors at the \$29 hillion sale of government securides showed that current efforts to restore confidence in the dollar are adequate, central hank sources said, and that volatility in the foreign exchange markets is subsiding. But the view from the markets

is different. From their perspecove, the heavier-than-expected buying by the Japanese seemed to reflect an orchestrated at-tempt to master a display of renewed faith in U.S. government debt issues and in the Reagan administration's efforts to stabilize the dollar.

As such, the Japanese purchases were futile. The buying underscored only

a growing conviction in Tokyo that a substantial new effort to

By James Gleick New York Times Service

have found a way to send enormous

electric currents through newly dis-

puters to high-power magnets. International Business Machines

NEW YORK - IBM scientists

needed if another dramatic drop in its value is 10 be averted, and if Japanese institutions are to continue supporting U.S. debt instruments to the extent they have

What is needed, many feel, is for the United States to issue foreign-currency bonds, or so-called Reagan bonds. In the U.S. fiscal year that

ended in September, Japanese investors purchased 15 to 20 percent of new U.S. debt ohliganons, according to estimates by leading Japanese banks. They appear to have taken a similar share of the 3-, 10- and 30-year securities offered last week.

Nonetheless, Japanese dissatisfaction with the exchange-rate risks associated with such investments, which has been evident in the markets for much of this year, has not diminished. Many factors kept Japanese investors in the market, analysts suggest, hut optimism about the dollarven rate was not among them.

Although central bank and Finance Ministry officials do not comment publicly, there is an defend the dollar is urgently emerging consensus in Tokyo

for science who headed the research.

ity without any resistance, unlike

the metals in ordinary wires that

But, until recently, superconductiv-

hundredth the thickness of a warm from a physicist's stand-human hair. Such films are com-point. As a result, they promise a amperes per square centimeter, at 4

The superconductors were in the 1960s.

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enomenon that existed only at

Superconductors carry electric-

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Rates and Silauphon dates of

that the reluctance of foreign investors to continue assuming exchange-rate risks will eventually force Washington to begin issuing bonds denominated in ven and, possibly, other currencies against which the dollar bas weakened

The U.S. Treasury secretary. James A. Baker 3d, has so far rejected the use of Reagan bonds to finance the U.S. budget and balance-of-payments deficits. The Japanese, a U.S. of-

See AUCTION, Page 21

But the key was how much cur-

friction - but only at a trickle.

The materials have a variety of properties that researchers have John Hulm of Westinghouse Elec-

pioneering discoveries in the field

quickly found to sustain huge mag- One reason for doubt about the laging machinery, scientists are

rent the superconductors could car- together powders containing various

ry. The "critical current density" can elements - in this case, yttrium,

be crucial for magnets and electron-ic devices. A superconductor with a baking them at high temperatures,

pipe that could carry water without arranged in a regular structure, but

IBM now has measured current samples produced so far have been

densities 1,000 times the level ear- composed of microscopic grains

IBM Makes Major Advance in Superconductivity

waste energy in the form of heat. low critical current would be like a

c motors and electromagnets."

netic fields, for example, raising the current-carrying capacities was that struggling to raise the temperature "Most of the laboratories can imipossibility of using them in mag-the new superconductors are not of superconductivity still higher.

them the recipe," said Praveen in existence. Chaudhari, an IBM vice president But the ke

OECD's Report Calls for 'Broad' **Policy Reforms**

made public on Monday range from agricultural subsidies to unemployment compensation, and touch on just about every sacred cow dear to politicians.

sador remarked. such structural reform will emerge

the "medium term," and the em-

"concerted action be guided by common principles" and be "built on international cooperation." The underlying strategy is that if

or less simultaneously, domestic opposition will be overcome more easily because voters can be told that other countries are moving in the same direction.

Agriculture is the report's most sensitive subject, and also accounts

meeting opened.

sidies cost about \$30 billion a year in

The ministers will agree that "ex-

They will support the long-term

The report also attacks subsidies

priorities too diluted," it says, and

"subject to little effective monitor-

ing" in sectors that have become

Both the report and the draft

Reverse the trend to restrictive

communiqué emphasize the need

By Carl Gewirtz

PARIS - The Organization for Economic Cooperation and Development, on the eve of its annual meeting of ministers, has called for 'broad, bold and sustained" government action on a range of domestic policies that help impede competition and slow economic

verely damage the situation of The subjects covered in a report many developing countries." objective of reducing subsidies. But the wording on how to implement this goal is still being negotiated.

"It's rather like a call to endorse motherhood," one OECD ambasto industry, "Goals were too broad, At best, the beneficial effects of only in what the OECD report calls илсопрешиve.

all major governments move more

for a third of a 23-page draft of the communique to be issued at the end of the conference. Disputes over the final wording have dra-matically slowed the drafting of the final statement, which was to have been largely completed before the

"A more market-oriented agriculture" is "unavoidable if the sector is not to collapse under the weight of its own surpluses," the

ly do not conduct electricity at all.

The materials are made by mixing

The result is a crystal, with atoms

the crystal is imperfect. Most of the

To turn research into practical

manufacturing techniques, scientists

is warm enough for such applica-

tions as computers, underground

direct and indirect agricultural sub-

monal Heraid Terbane the United States and about \$50 billion in the European Community. cessive support policies entail an increasing distortion of competition on world markets and run counter to the principle of comparative advantage which is at the root of international trade" and "se

phasis will vary from country to But the two-day ministerial meeting will endorse as "essential" that

trade measures because interna-tional trade competition is "the most powerful means of promoting economic efficiency and growth." · Continue liberalizing financial · Reform taxes, focusing on sim-

plicity, equity and a reduction of distortions affecting incentives to work, save and invest · Improve the quality of educa-

tion and training, adapting them to the technological and structural changes now under way. Although the subject is not men-

tioned in the draft communique, the report calls for reforming the public sector to weed out programs whose goals have been met or whose underlying premises are no longer val-id, and for adjusting government spending and taxation to the trend toward slower economic growth.

U.K. Committee On Takeovers to Be Strengthened

LONDON - The body that monitors British takeovers will be made more effective and brought into the framework of the Financial Services Act, Trade and lodustry Secretary Paul Channon said Monday.

He told Parliament that a review of the Panel on Takeovers and Mergers, conducted by his department, the Treasury and the Bank of England, was com-The measures, which take ef-

fect later this year, would give the takeover panel access to commercial information to help it assess proposed mergers and bids, an official said. He said the panel would have

authority to request the departmeot or stock exchange to appoint investigators to study possible breaches of its code. it could not appoint them itself,

EC Tariffs on Japan Termed Unlikely

By Barry James

PARIS - The European Community, which has begun monitoring Japanese imports to its 12 trade dispute between Japan and the United States, is not likely to impose sanctions even if it finds that electronics goods are being diverted to Europe, according to several economic analysts.

Japan," said Uli Wittmann, of the Bank of Liechtenstein, in Frankfurt.

The EC's executive committee in Brussels began its surveillance on Friday and is to check daily on imports of Japanese color televisions, personal computers and power tools.

which the United States recently imposed 100 percent tariffs in re-taliation for what it alleged was the dumping of Japanese computer chips in third countries.

The EC's foreign ministers agreed April 27 in Luxembourg to require import licenses for products on which U.S. tariffs had been imposed if a major diversion of those goods was detected.

Sources in Brussels said that if diversions are found the ministers, when they meet this month in the Belgian capital, might accept a proposal to prepare tariffs but are not likely to impose them immediately. Some analysts said that the EC, in this way, could engage in muscle-flexing before next month's summit

meeting in Venice of seven leading industrialized countries. Tokyo reported in April. But, the analysts added, the Europeans do

not want to become embroiled in a it to the sort of accusations made trade war with Japan, either.

For one thing, the analysts said, Western Europe has not been penetrated by Japanese goods to the extent the United States has. The volume of trade is far smaller. In the last fiscal year, Japan's surplus with the United States, at \$52.02

"My impression is that the Euro-pean Community will not, in the pean Community will not, in the more than the United States on foreign trade, and are therefore more concerned with avoiding mutually damaging sanctions.

Europeans, too, have had more success at gaining entry to Japan's markets than have American companies, while West Germany has piled up trade surpluses that open

against Japan. Furthermore, Japan is seen by many in the EC as the successor to the OPEC oil sheikhs of the 1970s. European governments are courting direct and indirect investment from Tokyo.

Finally, the problem over perbillion, was bigger than all Japan's sonal computers, color TVs and exports to the EC, at \$44 billion. own accord. Many expect the U.S. tariffs to be lifted before the meet-

ing in Venice.

But the EC watch on these goods "could be an indication of things to come," said Richard Reid, of the brokerage firm of Phillips & Drew in London. "The debate about Japanese imports to Europe is likely to become much more heated if the problems between Japan and the United States continue unabated."

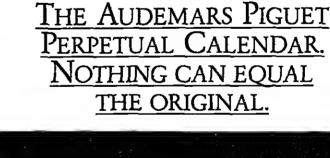
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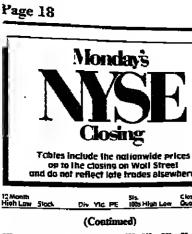




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Lyonnaîse des Eaux Is Seeking To Raîse Capîtal, Issue Bonds

PARIS — Lyonnaise des Eaux et de l'Eclair-age, the water and cable group, said Monday that is would seek shareholder authorization for a capital increase and an issue of stock option

bonds.

The capital increase, to be carried out over five years, would allow the company to raise its capital from 921.7 million francs (\$154 million) to a maximum of 2 billion francs. The bond issue, to be made over two years in France and abroad, would be for a maximum of 1 billion

Retaîl Sales în Brîtaîn Fell 1.2% In March After Rîse în February

Reaters

LONDON — Retail sales in Britain fell a seasonally adjusted 1.2 percent in March after rising 2.75 percent in February, the Department of Trade and Industry said Monday in its revised report.

Sales from January to March were 1 percent lower than in the previous three months but 5 percent higher than in the same period of 1986. Non-seasonally adjusted sales on a value basis in March were 6 percent higher than a year in March were o percent higher than a year

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AMEX Highs-Lows

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MANY HE

U.S. Treasuries. S & P 100 index option prices were oot available in this edition because of transmission delays. 91444 549 625 685 U.K. Fined Airlines

With Megal Travelers Agence France-Presse

LONDON — More than 600 fines have been levied over the past two months on airlines that have flown illegal immigrants to Britain. The £1,000 (\$1,600) fines apply to any organization carrying to Britain any persons who do not have valid passports or visas, the government said. The measure was agreed upon in February after the **DVI Futures**

Options agreed upon in February after the arrival of a group of 60 Sri Lankan illegal immigrants at Heathrow Airport. 171 171 171 171 171 171 54 197 — 55 119 U1 154 0.55 1.19 U1 155 1.19 U1 155 1.19 0.31 97 0.65 0.14 0.15 1.19 0 -0.72 0.34 0.38

1250

Jamaica Bauxite Output Rises The Associated Press KINGSTON, Jamaica - Bauxite output rose 20 percent to 1.8 million tons in the first quarter, from 1.5 million tons a year earlier. the Jamaica Bauxite Institute re-ported Monday.

Company Results renue and prafits or losses. In millions, are in its currencies unless otherwise indicated.

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Chrysler Parts Becomes Subsidiary

Corp. amounced Monday that it could turn its parts-making dividon into a wholly owned subsidiary named Acustar Inc. in an effort to broaden sales of Chrysler amounting to \$500 mil-components to other automakers. lion. It posted a a \$250 million fort to broaden sales of

Travenol to Buy Caremark for \$528 Million

NEWPORT BEACH, Califorma — Baxter Travenol Laboratories Inc., the medical supoly and services company announced Monday it had signed an agreement to acquire Caremark Inc. in a transaction valued at about \$528 million.

Baxter is to exchange \$21.33 worth of its common stock for each share of common stock in Caremark, which also provides medical services.

It also said it would enter into proxy agreements with certain members of Caremark's management, who would authorize Baxter to vote in favor of the merger. Baxter Travenof's share price fell \$1.375 after he announcement to close at \$23.50 on the New York Stock

The company said it has been granted an option to purchase about 4.3 million Caremark shares, or 18.5 percent of its common stock, at \$21.33 a share if another bid is made for Analysts said the decision sets the operations with the aim of cutting stage for a later spinoff of the unit.

Costs and expanding sales outside The parts division, which became a separate Chrysler unit in January 1985, had \$2.8 billion in revenue last year, with sales outside

pretax profit.
Officials at Chrysler, the thirdlargest U.S. automaker, said that Acustar's status as a subsidiary would make it easier for the unit to arrange joint ventures with outside

suppliers who are wary of sharing their technology with Chrysler. Company officials who asked not to be identified said that as a subsidiary, Acustar also would be better equipped to sell to Japanese-owned assembly plants.

Chrysler may eventually offer stock in Acustar, but does not plan to do so in the near future, said Lee was named president of the new

The move comes at a time when the top three U.S. automakers are is under way, he added. focusing attention on their parts

General Motors Corp., for example, has said that about 10 percent of the components it makes are not competitive with those available from outside suppliers. Company officials have indicated they plan to stop making those parts soon.

For Chrysler, making the parts division a subsidiary would highlight the unit's financial performance instead of burying it among Chrysler Corp.'s overall results.

Chrysler said that the new subsidiary would be based in Warren, Michigan, outside Detroit, employing about 24,000 workers at 21 plants in the United States, Canada and Mexico.

Mr. Runk said that the operation would change its product mix in Runk, a Chrysler executive who the future, shifting its emphasis from parts production to the design of entire component systems. A five-year, \$1 billion modernization

(Reuters, UPI, NYT)

CGE Shares Sold to Public Will Trade From June 3

PARIS — Shares in Compagnic Generale d'Electricité, whose saie to the public began Monday, will be introduced June 3 onto the Pans Bourse's monthly settlement market. CGE's chairman. Pierre Suard.

A price of 290 francs (about \$48.45) a share was set last Thursday for the public offering of 35.6 million shares. Another - multion shares have been set aside for employees at special discounts. The public offering ends on May 23.

Mr. Suard said that the shares had been valued at 346 francs by the brokerage of Fauchier Magnan and at 335 francs by the firm of Leguay Massonaud.

After the public offering, CGE will issue 21.8 million new shares to raise 6.3 billion francs, and 21 million of CGEs nonvoung shares outstanding will be converted into the new shares. Details of the foreign offering, of 7.92 million shares, were also given Monday by David Dautresme, a partner at Lazard Freres & Co.

Lazard and Societé Générale will be the lead managers He said that regional co-leads - Deutsche Bank AG. Société de Banque Suisse (Luxembourg) SA, and SG Warburg & Co. - would handle 15 percent each in Europe. Ten percent would be placed in the United States, with the remaining 45 percent bound for the rest of the

CGE, France's second-largest industrial company, was nationalized by the Socialist government in 1982.

Europe Joins Semiconductor Battle

As Chip Sales Rise, So Do the Competitive Joint Ventures

By John Tagliabue

BONN - The decision by the Thomson Group of France and STET, the Italian state telecomdemonstrates how the Europeans pany. Thomson and SGS already a highly competitive market.

The joint venture between the ci-villan semiconductor business of biggest semiconductor maker, with Thomson Semiconducteurs and the sales last year of \$1.36 billion. STET division, SGS Microelettron-

by U.S. and Japanese companies. years ago. Thomson paid \$70 million for the assets of Mostek Corp., a Texas microchip maker, to strengther, its position in North America-

While the U.S. semiconductor market slumped last year, chip sales in Europe rose more than 15 percent, to 55.4 billion. But Dataquest, an industry research concern, is forecasting 1987 sales of about \$6 billion, a growth rate of 11 percent. For one, the European chip industry is feeling the pinch of the cheap dollar, which makes American-made semiconductors more competitive in price. Moreover, part of last year's growth was the result of sharp price-cutting that translat-ed into low profits for some and

losses for others. A few companies, while still profitable, scrambled to form joint ven-

compete with those being made by U.S. and Japanese chip makers.

For example, Siemens AG of West Germany recently unveiled munications enterprise, to form samples of a four-million-bit mem-Western Europe's second-largest ory chip it is developing with Philmanufacturer of semiconductors ips NV, the Dutch electronics comare trying to increase their share of are cooperating to produce and sell memory and logic chips. A Philips

The joint ventures may not be ica, is expected to have sales of more enough to fend off the more immethan \$800 million and a 3.2 percent diate problem that Europeans see share of a world market dominated arising from the semiconductor dispute between the United States and The venture, announced in April. Japan. Those countries signed a is the latest between European contrade pact last July, but in March cerns and European or U.S. partners the United States accused Japan of as the Europeans seek to become violating the agreement and, in re-more competitive. Less than two taliation, last month imposed 100 percent tariffs on some electronics

> imports. Some European executives said the Japanese government had asked its industry not to add European aggravation to the nation's troubles with the United States. \$150 million. But then the Europeans began to fear that, in addition to being conduit for chips destined for the United States, they might also be the recipients of products shut out of the U.S. market by the tariffs. Still, the influx of chips from

Japan has not been all bad. "In the last years. European industry accomplished an awful lot of modernization and cost-cutting in the face of the Japanese challenge." said Hans De Haan, who directs market research at the German unit

tures to develop products that could of Texas Instruments Inc., the largest U.S. chip maker in Europe.

Others said that the industry has been helped by its close links to manufacturing. Some of the largest European semiconductor compa-nies, such as Philips and Stemens, are units of large, diversified electrical and electronics companies that use many types of chips in a broad range of products, from computers

to videocassette recorders. Analysts also say a large market is emerging among small machinery manufacturers in countries such as West Germany and Italy, which are increasingly using semi-custom chips to run machines and link them to company computer systems.

Three years ago, seven European electronics concerns formed European Silicon Structures, or ES2, whose directors describe it as a "one-stop shop" for equipment and services to enable companies to design and produce semi-custom

chips, gate arrays and logic chips. Helmut Schmitt, ES2's vice pres ident for central Europe, said that by 1991 he expects the company's market to be worth \$100 million to



Burlington Considers Restructuring to Elude Takeover Bid

GREENSBORO, North Carolina — Burlington Industries Inc. said Monday that it is considering a major restructuring in an effort to clude a \$1.6 billion takeover bid, including the

possible acquisition of one of the bidders. As the first step, Burlington said it would begin as soon as possible a cash tender offer for up to 8 million shares of its common stock at \$80 a share. It also said it would consider increasing the number of shares to be pur-

That price is substantially higher than the \$67 a share offered by Dominion Textile Inc. of

financier. Burlington's stock price fell 12.5 cents a share Monday on the New York Stock Exchange to close at \$64.25. The board said it was giving particular con-sideration to a possible acquisition of Domin-

It said it had rejected the takeover bid and was recommending that shareholders do the

Other steps under consideration, Burlington said, are a merger or other business combination involving the company or one or more of textiles and also manufactures carpets, upholits principal operating groups, or a leveraged stery and other fiber products.

Canada and Asher B. Edelman, a New York buyout of Burlington or part of the company. It also said it was considering the sale of cents a share Monday on the New York Stock equity or other securities of Burlington or any of its subsidiaries.

"We see our mission as being agents of con-structive change," said Frank Greenberg, the company's chairman and chief executive officer. We have recently made significant progress toward solving most of our major problems, and have the opportunity to do even

Burlington is the biggest U.S. producer of

De Benedetti, Spanish Bank **Consider Investment Firm**

MADRID - Carlo de Bene- outside Italy. detti, an Italian financier who is
also chairman of Olivetti SpA, is
vestment offshoot of the de Benenegotiating with a Spanish bank to detti group, he has bought significreate a joint investment company to buy stakes in fast-growing Span-including Valeo, a maker of motor the companies, banking sources parts, and the fashion house Yves th companies, banking sources said Monday.

A spokesman for Banco Zaragozano said talks between its chairman, Jose Ramon Alvarez Rendueles, a former governor of the Bank of Spain, and Mr. de Benedetti had been going on for more

"Nothing has been finalized yet and it remains to be seen who ultimately will control the company, the spokesman said. But he said he pected an agreement by June or July at the latest.

player in the revival of Italian pri-

gressively to broaden his interests

cant holdings in French companies, Saint Laurent SA,

in the Spanish daily El Pais that Spain's department store group El Corte Ingles SA was also involved

But he did not rule out that a Mr. de Benedetti, who is head of bis own independent finance which has a 30 percent holding in group, Cofide, has been a leading Zaragozano and is the bank's largest single shareholder, might be asked to buy a stake in the planned

Nedbank Says Net Rose 80% in Half

JOHANNESBURG - Ned- second half. nk Group Ltd., the South Afri-

percent for the first half ended the year-earlier period. March 31, to 58 million rand (\$29.1

ure included 43.7 million rand set provided 11.1 million rand against aside for bad and doubtful debts. 5.3 million; Syfrets Trust 6.1 mil-

all of the group's units. He predict- period.

ed continued improvement in the

thank Group Ltd., the South Airrannia and banking group, reported Monday that its net profit rose 80 the year-earlier period.

million), from 32.2 million a year million rand to net profit, up from 21.8 million in the first half of fiscal Nedbank said the first-half fig- 1985-86. UAL Merchant Bank Ltd. Pretax profit was 77.3 million rand, lion against 5.9 million; Nefic 3.8 up 71 percent from 45.2 million a million against 3.7 million, and year earlier. Finansbank 5 million Nedfin Bank The bank's chairman, Owen had a profit of 1 million rand after Horwood, said that earnings rose in a loss of 2 million in the earlier

COMPANY NOTES

Bank of America, a unit of Bank-America Corp., has agreed in principle to sell its East Asia bank card operation in Hong Kong to Citibank for around 117 million Hong Kong dollars (about \$15 million).

Chaptered Backing Refinitor Co.

The state of Australia and the New Zealand Post Office the possibility of a fiber-optic cable linking Japan with the United States New Zealand

Kong dollars (about \$15 million).

Chevron Belgium Refining Co.
said it has concluded the sale of a

Einery, terminal and pipeline to
Felny Tanking SA, of Felny, Belnn. Terms were not disclosed.

Cominco Ltd. has declared force majeure on outstanding contracts after shutting its Trail, British Columbia lead and zinc smelter and its Kimberley mine after workers

struck over wages.

Hendry Hay McIntosia, an Auckland, New Zenland, broker, is bidding for 10 million shares, or 10 percent, of media group Wilson & Horton Ltd. at 10.50 New Zealand dollars (about \$6) a share for an unnamed client. Wilson & Horton Said it may refuse to register transfer until it can determine who is ferred stock currently valued at fers until it can determine who is ferred stock currently valued at behind recent buying of its shares.

IEP Securities Ltd., a subsidiary of Proceedings of the state of the

Brierley Investments Ltd. of Intain, said it holds 6.75 million ordinary shares in Horizon Travel PLC, or around 13.5 percent of the

issued share capital.
Inland Steel Industries of Chicago registered a proposed public of-fering of 3 million shares of com-mon stock. Proceeds will be used to redeem a major portion of its \$150 million principal amount on outmillion principal amount on out-

Kokusai Denshin Denwa Co. said

Kunnagai Gumi (Hong Kong)
Lad., a unit of the Japanese construction giant, said it will become
the first Japanese company to be
listed on the Hong Kong Stock Exchange. It announced a public issue
of 67 million new shares of one
Hong Kong dollar each at a subscription price of 2.50 dollars.

in principle to sell its M/A-Com telecommunications division to General Motors Corp.'s subsidiary Hughes Aircraft Co. for an undis-

Board said. It did not elaborate.

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Mr. Alvarez Rendueles sits on the board of Hispano Olivetti, the Spanish subsidiary of the Italian

office antomation company.

The spokesman denied a report in the negotiations with Mr. de

He said no other interests were

involved in the talks;

He has also recently moved ag- investment firm.

Nedbank Ltd. contributed 32.4

Arab Bank Limited Shedding light on the Arab world

For over fifty seven years the Arab Bank has been providing advice to international businesses and individuals looking to trade in Arab markets.

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Floating-Rate Notes

Dollars

The Common Stock of Kay Jewelers, Inc. Is Now Traded on the

Stock Exchange

FOREIGN & COLONIAL RESERVE ASSET FUND PROCES AT 55.87:

1. U.S. DOLLAR "CASH" \$10.05

1. MULTICURRENCY "CASH" \$14.01

1. DOLLAR BONDS \$12.93

1. MULTICURRENCY BONDS \$17.95

1. STERLING BONDS \$17.95

1 U.S. EQUITIES
JAPANISE EQUITIES
GLOBAL EQUITIES
STERLING "CASH"

Pounds Sterling

New York

Under the Symbol

rvestor Relations Departmen Kay Jewelers, Inc. 320 King Street Alexandria, Virginia 22314 (703) 683-3800

May 12, 1987

Ee Ris: ---- Differ Pzice Incl. 3% prelim charge.

Be oure that your fund is listed in this space daily. Telex Matthew GREENE at 613595F for further information.

a fair manner.

The only immediate alternative,

scnior analysts suggest, is a rise in

U.S. interest rates substantial

enough to keep Japanese investors in the market for Treasury issues.

"The notable feature of the mar-

ket now is that it no longer believes

in what the U.S. government is say-

ing," said Nobumitsu Kacami,

managing director of Nomura In-

"Sooner or later, President Rea-

gan is going to have to take a more

serious approach than he has so

Last week's Treasury auction

particularly Thursday's offering of

\$9.25 billion worth of 30-year

bonds, was watched closely as a

measure of Japanese confidence in

the dollar and in the modest adjustments to short-term interest rates

strengthen the currency against the

In their meeting last month,

President Ronald Reagan and

Prime Minister Yasuhiro Naka-

sone agreed on a coordinated plan

to push U.S. rates higher and Japa-nese rates lower, enhancing the at-

tractiveness of dollar investments.

vestment Management Co.

far."

World debtor nations.

Pollar Mostly Lower in New York

London Dollar Rates

1,7145 1,6590 140,00 1,4775 6,0025

NEW YORK - The dollar osed mostly lower in New York on Monday after earlier gains were trimmed when some commodities futures prices jumped sharply. The dollar hovered at 140 year

all day and was just below 1.80 marks, a New York dealer said. Technically it looks like the dollar could move higher, but the market sponse to a jump of more than 6 5.9700. is cautious ahead of the March trade numbers."

The U.S. government is to report futures contracts. trade figures on Thursday. Dealers dise trade deficit, which is running and seed-oil prices that some parat an annual rate equal to 1986's record \$170 billion gap.

In New York, the dollar closed at modities index surged. 1.7905 Deutsche marks, down from 5.9820 French francs, down from

CAIRO — Egypt launched a

fimited free market for foreign ex-

change on Monday, letting banks

fix market rates for hard curren-

cies. The move was aimed at curb-

ing speculation and black market

Bankers described the measures,

announced by Economy Minister

Youssri Mustapha, as a controlled

float of the national currency, the

points in the Commodity Research

Most of the gain in the index, to have an impact on the merchan-caused by a sharp advance in grain pound's strength. ticipants see as inflationary.

"The market is uncomfortable

president of Dean Witter Reynolds francs, up from 37.0200. Inc. "Futures prices at times can The dollar was higher against the give false signals, but they often 6.004 French francs, up from British pound, which closed at herald important changes in psy\$1.6615, against \$1.6745 on Friday.

Chology."

5.9318 Thursday. The Paris marke was closed on Friday because of

According to many dealers, the dollar faded late in the day in re-

pectations that Britain and possibly West Germany will reduce their interest rates in the near future. In London, the dollar closed at

1.7965 DM, up from 1.7875 on Friday; at 140.00 yen, up from on 139.50 Friday; at 1.4775 Swiss francs, up from 1.4690; and at 6.0025 French francs, up from

It was also higher against the Bureau's index that measures 26 pound, which closed at \$1.6590, against \$1.6743.

Some dealers said the Bank of said they will help determine which itself is traded on the New England had intervened strongly whether the dollar's fall has begun York Futures Exchange, was during the morning to curb the

Later, the pound was depressed by profit-taking after the an-Bond prices plunged as the com- nouncement of a British general election on June 11, dealers said.

In earlier European trading, the 1.7910 on Friday, at 139.55 yen, with this development and what it dollar was fixed in Frankfurt at down from 139.75; at 1.4735 Swiss could herald for inflation," said 1.7972 DM, up from 1.7844 Friday, francs, up from 1.4720; and at William V. Sullivan Jr., senior vice and in Brussels at 37.2875 Belgian In Paris, the dollar was fixed at

was closed oo Friday because of the V-E Day holiday.

U.K. Tories Say Time Not Right ficial said recently, "are talking to themselves." To Join EMS

LONDON — Britain's ruling Conservative Party said Monday that the time was oot yet right for the pound to become a full member of the European Monetary System.

The Campaign Guide 1987, issued by the Conservative Party immediately after Monday's announcement of a June 11 general election, said the issue of full EMS status for the pound was finely balanced.

"The government keeps the option of membership under review," the guide said, "and will join when the balance of advantage is clearly in favor. The goverument does not believe that the time is yet right to do so."

In the EMS grid, eight European Community currencies fluctuate against each other within strict limits. The pound is not part of the mechanism but British ministers take part in EMS meetings.

Egypt Launches Limited Free Market for Foreign Exchange that Washington now hopes will

The government especially waots to eocourage Egyptians working abroad to repatriate their money through official channels. year. About \$3 to to \$4 billion

Mr. Mustanha said the pricing committee, which includes publicand private-sector banks, determine the pound's value "with complete freedom and without any

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maybe a year, maybe more." change transactions at commercial

The IMF economic reform pack-

long-bond sales, according to most are simply not enough market estimates, compared with Nor is there much faith in the

Nonetheless, such instruments are now mentioned in Tokyo as the most effective way to restore confidence in Washington's ability to control the dollar and its willing-ness to spread exchange-rate risk in have presold half or more of the long-term bonds at auction, finishing with less than 20 percent of the

> ingly leared since the last auction, is already apparent.

But few analysts see much evi-dence of exchange-rate optimism in But this would also choke off the already weakening U.S. economy and exacerbate the problems that American banks have with Third

> Although the Carter bonds helped stabilize the dollar, their identification with President Jimmy Carter is the chief

month.

own positions from the conse-quences of a precipitous drop in uncertain whether the government prices. They are probably recycling plans to give its official backing to dollar holdings on which they are unwilling to realize substantial cur-rency losses. stroments among the major Japa-nese holders of U.S. debt.

lowed to act as primary dealers in issue of such instruments will bethe U.S. government debt market come unavoidable in coming only since the February auction: months. many other Japanese firms hope to

reason that the Reagan administration refuses to consider something similar.

earlier portion of the auction.

these purchases were intended

Beyond this, institutional buyers Banks and other institutions first appear to have been substantially urged the use of Reagan bonds afovershadowed by securities compatier the dollar slipped from a posities anxious to appear as active
tion of temporary stability earlier
participants.
Nomura Securities Co. and low against the yen late last month. Daiwa Securities Co. have been al- they have begun to assert that the

To reduce the currency risks now is no longer a part of the equation,

AUCTION: Sale Bolsters Japanese Belief That Reagan Bonds Are Needed sed from first finance page) for almost half of the Treasury's implemented, market analysts say, stration of Washington's determi-

nation to defend the dollar. Apart from this, the Research purchases of 30 to 35 percent in the discount-rate cut that Tokyo is bonds would provide the United quarterly financing held in Febru- widely expected to announce prior States with a reserve of yen that to the seven-nation summit meet- could be used to intervene in cur-But those firms are estimated to ing that is to be held in Venice next rency markets in the dollar's favor. Financing in yen also would be significantly cheaper than the rates It is unclear how much influence the Bank of Japan exerted in gath- that Washington is now required to

ering support for last week's Trea- offer, proponents point out. On a net basis, market sources in sury sales. However much the centrolyo said, Japan's withdrawal tral bank may have prodded the to have been inspired by Washing-from the U.S. debt market, increaspired sector, analysts believe it ton's first use of foreign-currency instructions of the last of purchased up to \$700 million in an bonds, under President Jimmy Carter. Beginning in 1978, the Trea-Some market sources assert that sury issued a total of about \$4 billion worth of medium-term "Carter this result. In part, Japanese inves- partly as a signal that Tokyo would bonds," which were denominated tors appear to be protecting their similarly support a U.S. decision to in Deutsche marks and in Swiss

francs. Although the Carter bonds helped stabilize the dollar as part of a larger package of measures to defend the currency, their identification with the Certer administration is seen as the chief reason that Washington has so far refused to consider them.

Mr. Baker first rejected the issue of Reagan bonds late last month. A Treasury official reiterated the U.S. position in announcing the department's fund-raising schedule two weeks ago.

Neither does the Reagan administration appear prepared to ac-knowledge that U.S. dependence on inflows of foreign capital to finance deficits is likely to be a last-

ing phenomenon.

But Japanese investors, whose support of U.S. deficits is now essential, assert that it is too late to do anything but simply sweep these

political impediments aside.
"We've reached the point where shame or political embarrassment

finite action to pital inflows," coordination is

Low 4 P.M. Crips

Mondays Via The Associated Press

12 Month High Law Stock

Soles is Nel Div. Yid. 100s High Law 4 P.M. Orga

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PROBLEM BUTTON OF THE STATE OF

which wants Egypt to adopt a sys-tem of unified foreign exchange rates.

A bankers' committee, which Monday. This was close to the recent rate of 2.15 on the unofficial but tolerated "free market," which the new rules are intended to beat. The central bank governor, Mo-

12 Month High Low Stock

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will set rates daily, fixed a rate of Savings sent home unofficially 2.1675 pounds to the dollar on were estimated at \$2.5 billion last overall is estimated to flow yearly through the black market.

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ammed Salaheddin Hamid, said the measures were aimed at attract-The measures were part of a ing foreign exchange into the bankstandby credit agreement with the ing sector by setting a "realistic" International Monetary Fund, exchange rate. Supply and demand, rather than

speculation, would determine daily rates, he said.

He said the measures were a start toward a unified single rate "over

The new rate will be used for tourism revenue and foreign-exbanks, as well as for remittances from Egyptians abroad. It will also be used to finance 40 percent of imports, mainly conessential items.

age is expected to secure Egypt \$300 million in IMF credits.

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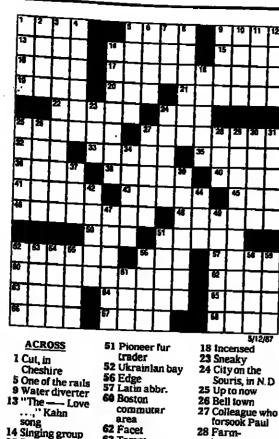
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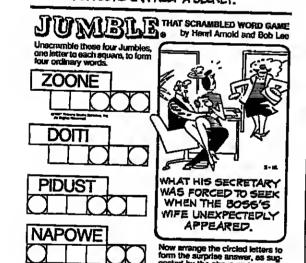
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61 Occurby O New York Times, edited by Eugene Maleska. **DENNIS THE MENACE**

GOD ALWAYS KNOWS WHAT WE'RE DOING. LUCKY FOR US HE CAN KEEP A SECRET.



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was...THE "PANE" KILLER

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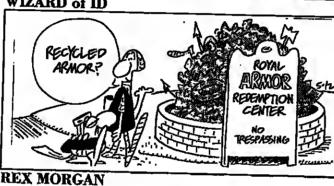






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BOOKS

MODERN DICTATORS. Third World Coup Makers, Strongmen, and Populist Tyrants

By Barry Rubin. 385 pages. \$17.95. McGraw-Hill Book Co., 1221 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by William Drozdiak

N the past decade, a procession of coups and revolutions has dramatized how swiftly critical alliances and strategic stakes can change in the modern aga. The topping of the Pahlavi and Somoza dynasties yielded revolu-tionary regimes in Iran and Nicaragua that remain extremely hostile to American interests. The replacement of military juntas in Brazil and Argentina by democratic governments, as well as the ouster last year of the Duvalier regime in Hain, were welcomed in contrast as progressive steps toward more stable and humane rule in our hemisphe

But with the notable exception of the Philippines, where Washington helped persuade Marcos to flee into exile and make way for Corazon Aquino, the United States all too often ends up on the losing side in the turbu-lence of Third World politics. Leftist rebels who take power escape responsibility for their problems by blaming the United States as the imperial enemy whose plundering or bullying causes the social and economic ills of their country. Rightist rulers may deplore the ambiguity of American support, even while popular



resentment festers because the United States is not seen to be doing more to encourage progress toward democracy and respect for human

A critical and troubling problem facing American foreign policy, argues Barry Rubin. a fellow at the Foreign Policy Institute of Johns Hopkins University School of Advanced International Studies, is learning how to deal effective. tively with foreign dictatorships. "Americans are more inclined than other nations to want to convert foreign dictatorships into democracies but are less equipped to understand how such systems work and why they survive or fail," he Writes.

The book is most successful in explaining the historical legacies that enabled juntas to exercise control over nearly all of Latin Ad³Linca: Rubin also describes the shrewd exploitation of tribal rivalries and the army — very often Africa's only functioning political institution — that consolidated power for such tyrants as Uganda's ldi Amin and Zaire's Moham Sass Salo Public Januara and Thickend butu Sese Seko. Rubin also uses well his background as an author of earlier books on the Arab-Israeli conflict and the Iranian revolution by comparing the vision of Ayetollah Khomeini and Moammar Gadhafi, whore revolutions flourished from the very failure

and degeneration of their traditions."
Gadhafi, Rubin says, resurrected the notion of Arab nationalism despite widespread cynicism and disillusionment caused by Nasser's failures in economic development and wars with Israel. Khomeini's fundamentalist revolt succeeded primarily as a reaction against the shah's modernization drive that had submerged Islam, yet also inadvertently promoted its rise to the vanguard of political opposition because Islam was seen as the last bastion of

purity in an otherwise corrupt society.

Ultimately, "Modern Dictators" falters in not delivering the kind of "fresh thinking and innovative insights"—as advertised in a blurb from Gary Hart — concerning American po-licy options in coping with the baffling array of often bostile Third World dictatorships. In discussing what to do about the Sandinist regime in Nicaragua, Rubin contents himself with a hindsight critique of Reagan adminis-tration failings.

As Rubin finally admits, "in dealing with modern dictatorships there are no total solu-

William Drozdiak is on the staff of The Wash-

CHESS

By Robert Byine

Championship, in Minsk.

Belyavsky, 33-years old, and Salov, who will be 23 in another his way through on the QB file

Salov, who will be 23 in another month scored 11-6. They are contesting a playoff match in Vilnius, in the Soviet Lithusnian Republic.

Belyavsky started on the queenside but shifted to the other wing to defeat a Dutch Defense offered by the international master Evgeny Bareyev.

Since the stonewall variation that Bareyev set up after 5. ...P-B3 leaves Black weak on the dark squares, it was useful to remove their chief protector by 7 B-B4 Q-Q-8 R-R

on the dark squares, it was useful to remove their chief protector by 7 B-B4, Q-O; 8 BxB.

QxB, as Belyavsky did.

The rationale for Belyavsky's destroyed by Belyavsky's 30 B-B7! There was no parry to the devastating threats of 31 was this: at Q2 the queen knight would find no target in the heavy black center, and at QB3, this knight would be blocking White's intended at NxR; 28 Q-N3, N-B3; 29 BxB, divesting his QBP of protection, whereas at QR3, the piece didn't obstruct the QB file and might still be able to invade via QNS later.

Bareyev kept control of his was no use playing 29. N-R3 is Bareyev kept control of his was no use playing 29. N-R3 is Bareyev kept control of his was no use playing 29. N-R3 is Bareyev's 29. N-B3 was destroyed by Belyavsky's 30 B-B7! There was no parry to the devastating threats of 31 N-N6ch, so Bareyev gave up.

Qx1 the piece, ridding destroyed by Belyavsky's 30 B-B7! There was no parry to the devastating threats of 31 N-N6ch, so Bareyev gave up.

Qx1 the piece, ridding destroyed by Belyavsky's 30 B-B7! There was no parry to the devastating threats of 31 N-N6ch, so Bareyev gave up.

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Qx2 26 R-QB1, QR-QB1, which wins bek, the piece, ridding destroyed by Belyavsky's 30 B-B7! There was no parry to the devastating threats of 31 N-N6ch, so Bareyev gave up.

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Qx2 27 R-QB1, QR-QB1, which wins the destroyed by Belyavsky's 30 B-B7! There was no parry to the devastating threats of 31 N-N6ch, so Bareyev gave up.

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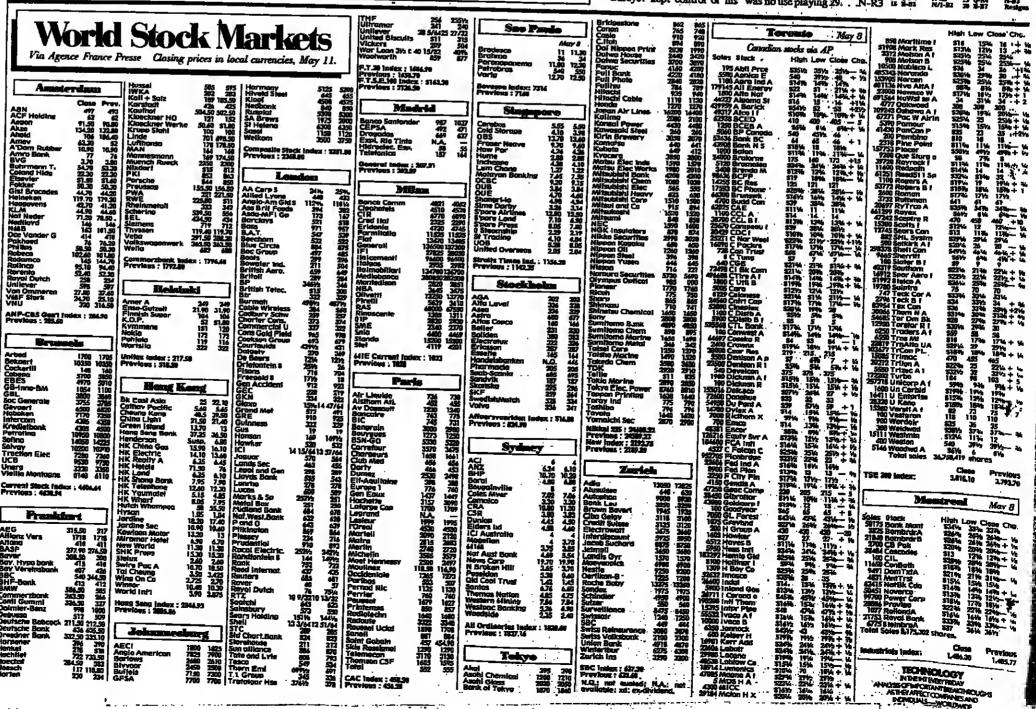
Qx2 26 R-QB1, QR-QB1, which makes the party to the devastating threats of 27 N-B7.

Qx2 26 R-QB1, QR-QB1,

By Robert Byrne QB3 and QB2 squares with 10. N-R3; 11 QR-Bl, B-N2, N a tournament almost to but after 12 PxP, BPxP (unfortally deminerated almost to but after 12 PxP. BPxP) The atomnament almost to-tally dominated by the gen-eration of players in their twen-ties and thirties, grandmasters Aleksandr Beiyavsky and Vale-ry Salov tied for first place in the 54th running of the Soviet Championship, in Minsk, Beiyavsky. 33-vears old, and







OAKLAND, California - The pointers, drives, He strung our de-Los Angeles Lakers began celebrating what seemed to be another sweep Sunday before Eric (Sleepy) Floyd reminded them there was

still one period left.

Floyd caught the Lakers napping and scored 29 of his 51 points in the finel quarter to lead the Golden State Warriors to a 129-121 victory.

NBA PLAYOFFS Los Angeles, which swept Denver in

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West Bern

an opening-round series, now leads Gelden State, 3-1, in their Western Conference Semifinal series. Essewhere Sunday, Boston and Detroit took 3-1 leads in the Eastern Conference semifinals with one-point victories.

Floyd, a 6-foot-3 (1.90-meter) gnard, dazzled the crowd by hitting 12 of 13 shots from the field in the fourth period to bring the Warriors back from a 102-88 deficit. In the quarter, he outscored the Los Angeles offense by 10 points.

Taking advantage of lackadasial Refersive play, Floyd began pene-trating early in the quarter. "I thought we celebrated a little early. We should know better than that," said Laker guard Earvin Johnson. shot as the buzzer sounded. "Floyd was doing it on transition and he was doing it on the set offense. Our weak-side help was just awful in the fourth quarter."

fense out pretty well."

Floyd's 51 points were a career high. He also broke the single quar-ter record (25) set Friday by Isiah Thomas of Detroit and his 39 points in the second half eclipsed the previous mark of 33, set by Elgin Baylor of the Lakers in 1962.

"My teammates kept giving me the ball, and said Take it, so I look

it," Floyd said. "I was very conscious of the score, and the crowd got as pumped. I've never been hotter at any level. The basket seemed 10 feet wide."

Celtics 138, Bucks 137: In Milwaukee, Darren Daye scored four points in the second overtime and Larry Bird finished with 42 points to give Boston a commanding lead over the Bucks in their Eastern semifinal.

Daye's two free throws gave the Celtics their 138-137 lead, and the Celtics survived two Milwankee scoring threats in the final minute First, Kevin McHale blocked Ricky Pierce's lay-up with 49 sec-onds remaining. The Bucks' John

"To do that, they're going to have Said the Lakers' Michael Cooper, a member of the NBA all-defensive team: "He had every to pick their game up a notch." The Sound the Lakers' Michael Cooper, a member of the NBA all-defensive team: "He had every to pick their game up a notch." The I get the ball, I was making the cont, Atlanta's Scott Hastings lobbed spars, who had a cont, Atlanta's Scott Hastings lobbed game-bigh 31 points. "There's no a pass to Dominique Wilkins, whose tories at home if they win on way I'm missing the shot." He took



Eric Floyd, driving past Laker defender Michael Cooper for two of the 29 points he scored during Sunday's fourth period.

Wednesday, have won 33 consecutive games at Boston Garden. inbounds pass, drove around the right side of the lane and went up for

Pistons 89, Hawks 88: In Pontiac, a finger-roll that fell in. Lucas drove the lane, threw a pass that hit Terry Cummings in the shoulder and then missed a short to give Detroit its 3-1 Eastern Consave the Hawks an 88-85 lead on a ference semifinal lead.

"They've got to beat us twice now in Boston Garden," said Bird.
"To do that, they're going to have over with five seconds left." I said if 1:14 left made it 88-87. over with five seconds left. "I said if

gave the Hawks an 88-85 lead on a

Oriole Home Runs Down White Sox Again Texas. Bobby Witt survived a shaky the inning with a triple off Scott parent out, but umpire Frank i as CHICAGO — The Baltimore start for his first victory of the sea-Orioles have gained ground on son. Witt (1-1) gave up four runs in struck out, Ray blooped a single to in foul territory. Landreaux lined

ager Cal Ripken Sr. is delighted. start of the eighth. "Anytime you pick up 412 games in six days, that's excellant," Ripken

said after the Orioles used home Johnny Ray's single broke a 1-1 tie runs by Terry Kennedy, Jim Dwyer Pittsburgh snapped a four-game

losing streak. Barry Bonds opened

BASEBALL ROUNDUP

and Fred Lynn to beat the Chicago White Sox, 6-4, here Sunday, Carried by 12 bomers, Baltimore swept the three-game series to move to within 61/2 games of the Brewers.

"I know our people are capable of hitting homers, but you don't look for 12 in one series," said Ripken. The Orioles had six in Saturday night's 15-6 rout and three in Friday night's 7-6 victory. Baltimore has won five of its last six games while on the road. Chicago bas lost four in a row.

"We're starting to spread it out," said Lyan, who his a three-run homer Sunday. "The guys who are supposed to hit are getting hits." Suffering from a hitting slump and a shoulder injury. Lynn didn't start four straight games and missed two last week, but returned to go 6-for-Il against the White Sox. "A few days off - it's the best way to stop a slump," be said.

fifth-inning home run after Larry Sbeets singled. Kennedy homered in the seventh; an inning later, Lee Lacy doubled and Cal Ripken Jr. walked before Lynn drove a pitch into the upper right-field stands. Rangers 9, Blue Jays 8: In Ar-

Dwyer tied the score, 2-2, with a

first-place Milwaukee in the American League East lately, and Manijust one over the next five before who also had an RBI double, bit his right-field corner. Reliever Matt giving way to Mitch Williams at the fifth home run of the season.

Dodgers 7. Cardinals 6: In Los attle, carned his first National Pirates 4, Giants 1: In the Na- Angeles, Ken Landreaux's one-out League victory. tional League, in San Francisco, double scored Mike Ramsey from Padres I4, Cubs 2: In San Diego. first base in the eighth, lifting the Jay Baller committed run-scoring in the 11th, and Jim Morrison fol- Dodgers over St. Louis. On the balks on successive pitches in a lowed with a two-run homer as previous pitch, Landreaux hit a five-run fifth that enabled the Pa-

that Jack Clark fielded for an ap- streak.

Young, obtained in trade from Se-

grounder down the first-base line dres to end a five-game losing





Pitchers Shane Rawley of the Phillies and Ted Power of the Reds were distracted by a ngion, Texas. Rueben Sierra drove swarm of bees during Sunday's first inning in Cincinnati. The game was interrupted for 17 in three runs and Scott Fletcher and minutes while bee handlers - on call since earlier invasions at Riverfront Stadium (April 17, Geno Petralli two apiece to rally 1976 and May 26, 1980) - used nets to collect some of the insects and dispersed the rest.

IOC Approves Tennis Pros for '88 Games

ISTANBUL — The International Olympic Committee on Monday gave final approval for professional tennis players to compete for med-

als in next summer's Games.... Adopted by acciamation at the IOC's 92d. Session, the roling is the final eligibility guide-line to be put in place for the 1988 Winter and mmer Games. To date, it is by far the most radical move away from the traditional Olympic concept of all-amateur Games.

medals in men's and women's singles and doubles. Nations with high Davis Cup or Federa-tion Cup rankings will be seeded; the rest of the field will be determined in regional qualifying. The plan was unanimously approved by the IOC's executive board last winter after Soviet

sports officials finally gave their consent.

Basically, it asks professionals to become amateurs for a month. They may accept no payments for playing in the Games or for the results of their competition. For the two weeks of the

winnings. They must also make themselves available for Davis and Federation Cup matches.

The plan is an experiment only for the Seoul Games, after which the IOC will decide whether or how tennis is to continue as an Olympic sport.

Tennis has not been a medal sport in the Games since 1924. In 1984 at Los Angeles, it was an exhibition sport with professionals under 21 allowed to compete. Stefan Edberg of Sixty-four men and 32 women will compete Games, and up to two weeks beforehand, they in the Seoul tournament, which will award also must suspend endorsement contracts, which of West Germany the women's. Sweden won the men's singles and Steffi Graf

Flyers Defeat Canadiens, 3-1

Compiled by Our Staff From Dispatches MONTREAL — For the second consecutive playoff series, the defending National Hockey League thampious have lost two games at the Forum.

Philadelphia downed the Canadiens, 6-3, Sunday might to take a 3-I lead in their in the Wales Conference final series; the Flyers also

NHL PLAYOFFS

won Game 3 here after splitting the first two games in Philadelphia. In their Adams Division final, Montreal lost the opening two games to Quebee before coming back to win in seven games. Only four teams in NHL history — the 1942 Toronto Maple Leafs, the 1975 New York Islanders and the. Islanders and Detroit Red Wings this year -have come back from 3-I deficits to win a best-of-seven playoff series.

Pelle Eklund's three goals paced the Flyers. With Philadelphia leading, 3-2, Eklund and Scott Mellanby iced the game with tallies in the first 88 seconds of the third period.

Eklund completed his hat trick at 13:01 of the final period. Taking Brian Propp'e pass at center ice, he deked Brian Hayward out of the net and slid the puck behind the goalic for his sixth goal of the playoffs.

"He's coming on just when we seed him," said Coach Mike Kee-kan of Ekhund. "He's a very intelligent player who can play good de-fense and use his speed and hockey sense to generate offense. He's showing why he was selected the top player in Sweden a couple of years ago." (UPI, AP)

5 Soccer Thugs

years, respectively, for their parts in the campaign.
The Inner London Crown Court

was told how undercover police infiltrated a gang of thugs whom they suspected of being behind large-scale violence at matches. Judge George Schindler said the five Field jailed were "some of the nastiest, most ruthless and most vicious men for whom violence appeared to be a way of life."

Police said that "Operation Own Goal" focused on a group of noto-riously hostile Chelsea fans, whom young policemen in plain clothes got to know in bars and traveled

with to games.
Schindler said that the Lasi-Hickmott group had organized violence before, during and after Chelsea matches, home and away, and used soccer as an excuse to indulge in violence. He said it was because of men like the five convicted "that the reputation of football fans in this country is so shameful, disgraceful and frightening that very many decent people stay away alto-gether. The stench from the hidcous viciousness which sometimes accompanies the game in this country is known and feared world-

Baseball

SCOREBOARD

Sunday's Major League Line Scores

AMERICAN LEAGUE
sia Dee Boo Boo-o 5 1
164 600 022x-7 10 0
1. Cook (6). Finley (8) and Boone;
and Gedman, W-Hurst. 4-3, L-Surton,
5-Boston, Burks (1), Greenwell (4). 1-1, L-Eichhorn, 4-2, HRs-Toronto, Moseby NATIONAL LEAGUE
Houston 808 802 808-2 6 0
Montreal 300 021 00x-6 12 0
Darwin, Soland (6) and Ashby, Balley (6);
Tibbs, Si, Claire (6) and Filzperad, W-Tibbs,
2-4, L-Darwin, 2-2 Sv-St, Claire (4), HR-Smithson, Klink 131, Frazier 151 and Salas; Hudson and Cerone, W—Hudson, 5-0, L— Smithson, 3-3.

Manireat, Foley (2).
Philadelphia 900 lez 100—4 B 1
Cincinnali 909 000 e30—3 B 0
Rawley, Sedjoslan (8) and Parristi, Power.
Robinson (9) and Olaz, W—Rowley, 2-2, LaPower, 3-1, Sv—Bedroslan (2), MR3—Philadelphia, Samuel 12), Parrisk (4), Cincinnali, Smindet, 54 Konsas City 002 000 000—2 11 2 Cleveland 021 100 00x—4 7 0 D, Jackson, Farr (4), Gleaton (0) and Owen, Swindel) and Dempsev, W—Swindeli, 2-3. L— D. Jackson, 1-5. Davis (12),
New York 900 901 056—7 12 2
Attonia 910 920 322—8 7 0
Fernandez, Sisk 17), Woller (7), Drosco 181
and Carter; Manier, Assenmocher 17), Dedmon (8), Garber (9) and Benedict, Virgil 19),
W—Dedman, 1-0, L—Orosco, 1-4, Sv—Garber
14), HRs—New York, Strawberry 181, Johnson (4), Alianto, Murany 181,
\$1, Lepis 900 120 300—4 13 2

Jailed in U.K.

The Associated Press

LONDON — A three-month pohice investigation led Monday to jail sentences for five sooner hook.

Bottlemen Secretary (19, L-Only Weymen, Pleson (19, Milwauker, 19, Evans (5), Secretary (19, Evans (5), Secretary (19, Evans (5), Milwauker, 100 (60) 808—1 10 (6) Milwauker, 23, L-Weyman, Pleson (19, Evans (5), Evans (6), Milwauker, 23, L-Weyman, 23, HRS—Seattle, Phelos 2 (10), Milwauker, Costillo (2), Boltimore 51, Louis 600 120 386-4 13 3 Los Angeles 000 231 01x-7 12 0 Mattiews, Horton (51, Perry)8(, Worrel) (8(

hice investigation led Monday to jail sentences for five soccer hooligans.

Terence Last, a legal clerk, and Stephen Hickmott, a businessman, were given 10-year sentences for roganizing a six-year campaign of violence at matches. Following an 18-week trial, three other men were imprisoned for seven, six and five years, respectively, for their parts

Major League Leaders

AMERICAN LEAGUE

mer, MIL	Z	94	15	32	340	major Leag	suc v	La
zer, K.C.	27	103	17	35	.340	NATION	NI LEA	C-111
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gins, Stt.	20	109	17	36	.330	Chicago	77	در "
kon. Bit.	20	117	24	38	.325	SI, Louis	16	13
93. Bos.	30	108	19	26	.324	Montreal	14	15
vg)la, Tex.	27	102	20	33	.324	New York	13)5
ler. Cle.	29)11	14	34	.324	Pittsburgh	12	14
uns: R. Nenders	on, N	lew Y	ork.	27; C	Down-	Philiodelphia	10	18
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Battimore, 24;						Son Francisco	21	" 11
21s: Rigken, Bol				Cincinnati	19	11		
nia, 27; G. Word						Las Angeles	18	14
formia, 26; Dw.	Eva	ns. Bo	ston.	, 25;)nco-	Hauston	14	- 11

itornia, 27: G. Word, New York, 2st Jevner, California, 26; Dw. Evans, Boston, 25; Inco-vigila, Texas. 25. Nits: Puckett, Minnesota, 40; R. Henderson, New York, 35; Ripken, Bollimore, 36; Down-ing, Calikrnia, 37; France, Cleveland, 37, Doubles: M. Davis, Oaktond, 11; Tobler, Claveland, 11; Catebran, Chicago, 10; Ricken, Ballimore, 10; Mailingly, New York, 9; Mail-tor, Mikanukse, 7.

Triples: Seltzer, Konsas City, 5; Zrowne, Teans, 3; 19 are iled with 2. Home Russ: Downing, California, 11; Incovialla, Texas, 11; McGwire, Oakland, 10; Phelips, Scattle, 10; Bartleid, Toronto, 9; Deer, Milwaukee, 9; Rieker, Boltimore, 9. Stoles Bases: R. Henderson, New York, 16; P. Zradiev, Seattle, 14; Redus, Chicosa, 12; D. Nixon, Seattle, 9; Fernanda, Toronto, 9; Maithor, Milwaukee, 9; Reynolds, Scattle, 9. Triples: Seitzer, Konsos City, 5: Browne,

lled with 200.
Strikeouts: Lanuston, Seattle, 54; Swindell,
Cleveland, 54; Higuera, Milwaukoe, 46; Hursi,
Baston, 44; M. Witt, Collifornia, 44. Saves: Plesac, Milwaukee, 9; Roardon, Minnesola, 8; Righetti, New York, 7; E. N-unez, Seattie, 6; Henke, Toronto, S; J. Howell.

NATIONAL LEAGUE

Runs: E. Davis, Cincinnati, 31; Gwynn, San

RURS: E. Davis. Cincinnori, 31 Coverni, 30n Diego, 25: Guerrero. Los Angeles, 24; Leon-ord, San Francisco. 24; Coleman, S1. Louis, 22; Maldonado, San Francisco. 23. R Bis: E. Davis. Cincinnori, 28: Dowson. Chicogo, 30; Schmidi. Philodeiphia, 29; Guer-Chicogo, Jo; Schmidt Prividesiphia, 27 over-rora, Los Angeles, 25; J. Clark, St. Louis, 26. Hits; Leonard, San Francisco, 46; Owvin, San Diego, 41; Maldanado. San Francisco, 41; Hatcher, Houston, 42; E. Dovis, Circinnati, 41. Doubles: Leonard, San Francisco, 12; Mal-donado, San Francisco, 12; D. James, Alfrenta, 11: Guven, Son Diego, 9; 8 are lied with & 11; Gwynn, Son Dieso, 9; a cre lied wim a. Trigles; Cester, Cinclanati, 4; Bonds, Pitt-burok, 3; Ford, St. Louis, 3; MThampson, Phil-odolphia, 3; Somuel, Philodelphia, 1. Home Runs; E. Oavis, Cincimpati, 13; Daw-son, Chicago, 10; Durham, Chicago, 10; Schmidt, Philodelphia, 10; J. Ciark, St. Louis,

y, Stelen Boses: Coleman, St. Lauls, 21; E. Do-vis, Cincianati, 15; Hotcher, Houston, 18; Walker, Chicaga; 9; Webster, Monireal, 9.

PIT CNIMG
Won-Lest/Wonling Pct/ERA: Volentucia,
Los Anseles, 4-1, 800, 3,04; Walch, Los Anseles,
4-1, 800, 2-01; 11 are lied with J50.
Striticouris: Scott, Houston, 62; Ferrindez,
New York, 68; Volentucia, Los Anseles, 49;
Evan, Houston, 47; Welch, Los Anseles, 49;
Saves: La Smith, Chicopa, 9; Orosco, New
York, 7; D. Smith, Houston, 6; Franco, Cincinetal, 4-1, Los Anseles, 40; Errorco, 6,

National Basketball Association Playoffs

CONFERENCE SEMIFINALS OUNDAY'S RESULTS East

Defroit 17 23 29 20—89
Thomas 12-24 6-9 31, Dontlev 6-12 7-8 19;
Wilkins 7-23 5-5 19, Willis 7-12 1-2 15, Corr 7-10 12 15. Rebounds: Arianto 59 (Wilkins 12), DeIroll 51 (Mohorn 17), Assists: Aftanto 16 1 Riv-1701 51 (Monorn 171, Assists: Amonto 16 1 Riv-ers 71). Detrail 16 1 Dumors 5). Boston J2 28 29 24 16 11—138 Milwoukee 31 24 39 22 16 10—137 Bird 13-23 13-15-42, Mochole 15-25 4-5 34; Cum-minps 12-21 7-8 31, Monorlef 8-20 4-7 22, Re-bounds: Boston 56 (Mochole 111, Milwoukee 54

Hockey

and Lake: Walch, Howell (7), Young 18(and Sciencia, W—Young, 1-4, L—Perry, 1-1, HR3—SI, Louis, Clark 2 (9), Las Angeles, Guerrera

13 567 13 552 15 483 15 444 16 429 18 357

456 433 -563 .552 ... 552 15 15 500 90 0 25 242 AMERICAN LEAGUE East Division

Vision 15 12 .556 — 17 14 .548 — 17 14 .548 — 16 14 .531 12 11 16 .407 4 16 17 .370 5

Wes-Lost/Winning Pct/ERA; Condetaria, California, 4-0.1900.222; Clear, Milwaukee, 3-0, 1000, 450; Mudoon, New York, 5-0.1900, 1.70; Soberhogen, Kansos Ciry, 6-0, 1800, 1.50; 4 arv lied with 300.

Strikeosts: Legenda. Transition

BASEBALL Notional Lague
Notional Lague
AONTREAL---Recalled Uboldo
Proper from Indignopolis of the 4

FOOTBALL FOOTBALL
National Football Leasue
NEW ENGLAND PATRIOTS—Signed Al
Witherspoon, lineback er: Jim Gollerry, place
Nicker, and Jeffrey Gur, punder.
WASHINGTDN—Signed Ted Korros, John
Guzik, Steve Martin, Sieve Thompson and
Tamminy Parker, detensive lineman; John
Mickens and Tony Settles, linebackers, and
Donner Remelaters, salety.

20sTON—Signed a five-year agreement with the American Hockey League for an at CRLLEGE

CLARION—Named Robert Carlson assistant all hields director.

KANSAS—Signed Larry Brown, pasketba
Capth, to a four-vear contract.

UTICA—Named Ed Jones basketball cook OLYMPICS INTERNATIONAL OLYMPIC COMMITTEE—Named Dick Pound vice president.

European Soccer

allorce). Esse Real Socieded 2. Alleito de A Bello J. Valladelka 2 Osasuna G. Athletic de Aliboa d Los Palmas, I Sabadell 1 Codiz 2, Sontador 1 Murcia 2, Sevilla 6
Points (Playing for league title): Rea drid 57; Borcelana 55; Esi

Basketball

1Cummings 11), Assists: Boston 33 (John 12), Milwoukee 30 (Pressey 11), LA, Lokers 34 37 19-n-121 Golden State 27 28 31 41-n-129 Floyd 18-24 13-14-51, Carrell 10-18 13-523; Scott 20-19 7-3 28, Abdut-Jabbar 8-14 11-15 27, Re-

NHL Playoff Semifinals SUNDAY'S RESULT

Suffer (1 (, Propo 10 (, Eklund 3) & (, Mellonby 12 (; Nosland (7), R(cher (3), Chellos (4, Shots en Seal: Philodelphia (on Rey., Harward) 13-68—27; Montreal Jon Hextall) 10-6-10—28.

x-May 14: Montreal or Philodelphia
CAMPBELL CONFERENCE FINALS

x-May 15: Edmonton at Detroi x-May 17: Delroll of Edmonton

Tennis MEN'S TOURNAMENT (At New York) Singles Finel Andres Gomez (4), Ecuador, det. Yannick

Poubles Final Forget and Younick Noots Fra DAVIS CUP QUALIFYING

(2), France, s-4, 7-e (7-51, 7-4 17-1).

on Zone B, First Round (A1 Monaco) (A1 Manaca)
Partugal 3, Manaca 2
Cunha Silva, Portugal, def. Bernard Bellerel. Manaca, 6-3, 6-4, 0-4, 7-5.
Gilles Ganancio, Manaca, def. Nuno Marquez, Portugal, 7-5, 6-2, 7-5.

Nelson Classic, which ended Sunday on the 4,767-yard, par-70 Las Colinas course in ir-ving, Texas (s-wan on third hole of suddendeath playarty: a-Fred Coupley, \$108,000 Mark Colcavers, \$44,800 Bob Lohr, \$40,800 Crolo Strüker, \$24,400 Donnie Hommind, \$24,400 Tom Kille, \$19,425 73-66-63-64--266 69-62-67-65--268

bounds: Los Angeles 62 (Green 12), Goto

NBA Playoff Schedule EASTERN CONFERENCE SEMIFINALS

EASTERN CONFERENCE SEMIFINAL May S: Boston 11, Milwoukee 98
May 6; Boston 126, Milwoukee 124
May 8; Milwoukee 126, Boston 121, OT
May 13: Boston 128, Milwoukee 137, 20T
May 13: Milwoukee at Boston
x-Moy 15: Boston at Milwoukee
x-May 17: Milwoukee at Boston
May 3: Detroit 112, Allonto 1)1
May 5: Allonto 115, Detroit 102
May 6: Detroit 104, Allonto 99

WESTERN CONFERENCE SEMIFINALS

May 19: Golden State 129, LA. Lakers 121
May 12: Golden State at LA. Lakers
x-May 14: LA. Lakers at Golden State

Golf

x-May 14: Golden State at LA. Lakers

May 2: Seattle 191, Houston 104. OT May 5: Seattle 99, Houston 97 May 7: Houston 102, Seattle 84 May 9: Seattle 117, Houston 102 May 12: Seattle at Houston x-May 14: Houston at Seattle

x-May 16: Scottle of Houston

May 0: Detroit 106, Atlanta 99 May 10: Detroit 89, Allonia 88 May 13: Detroit at Atlanta x-May 15: Atlanta at Detroit x-May 17: Detroit at Atlanta

State 43 (Smith 16), Assists; Los Angeles 2

Tom Kile, SIVA25
Tom Avrum, SI9,425
Grey Norman, SI9,425
Ben Crenshow SI9,425
Davio Frost, SI5,400
Rav Barr, SI5,400
Ard Faxon, SI2,400
Mika Reld, SI2,400
Garv Hailbern, SI2,600
David Edwards, \$9,900
Tim Marris, \$9,900
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WHOOPEE - Fred Couples, who had not won a PGA

tournament in three years, got all-star congratulations from

wife Deborah after winning a sudden-death playoff in the Byron Nelson Classic Sunday in Irving Texas. On the third extra hole, the 415-yard, par-4 18th, Couples sank a 5-foot

par putt; Mark Calcavecchia, who fired a 64 to tie Couples

at 266 through regulation play, took a bogey by bunkering his second shot and leaving a 20-foot par putt inches short.

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ART BUCHWALD

Learning by Experience

WASHINGTON — The only friend's house to have a quiet din-thing we can do now is learn ner for four. from Gary Hart's experience. These are the rules that any presidential candidate should obey:

Do not go on a picnic with someone named Donna. Do not go down a dark alley with a person named Rice.

Above all, do not take anyone back to your bouse after dark to show her the improvements you

made in the ceil-Never sail to the island of Bimini when the customs shack is

closed If a woman wants to work in

your campaign, tell her you're all Buchwald filled up and have no room for even one more volunteer. Do not - repeat, do oot - telephone and ask her to join you for a strategy meeting to discuss bow to get the singles

Don't autograph your book to an individual who is liable to show it on an airplane to her fellow passen-

There is no such thing as a free weekend. It can cost a presidential candidate a lot, particularly if he gets lonely and goes over to his best

Random House Buys U.K. Group

New York Times Service

NEW YORK — Raodom House is to buy one of the leading British book-publishing groups — Chaito, Virago, Bodley Head & Jonathan Cape Ltd., the first purchase of a major European trade-book publisher by an American company.

London by the two chairmen, Rob-ert L. Bernstein of Random House and Graham C. Greene, of the consortium, which is prestigious but

financially troubled. The consortium has published a galaxy of leading authors, includ- out the front. But it takes a man ing Graham Greene, Iris Murdoch, Virginia Woolf, Alexander Solzhonitsyn, Ernest Hemingway, Hermann Hesse, T.E Lawrence, Doris Lessing and F. Scott Fitzgerald.

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INTERMEDIA

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Just because nothing happened between you and an unmarried Woman does oot mean that nothing happened. It did happen if it gets reported in the press. Therefore the only ones who should be allowed to visit you on the weekends when your wife is not there are the

plumber and the Orkin man. It is absolutely essential that the candidate never say to the press, "If you think I'm a womanizer, why don't you follow me and see for yourself?" The reason for this is too obvious to explain.

During a tough presidential campaign do not play cards with any-body named Bill — especially if he knows a lot of attractive people in

If you have ignored all of the above and the press takes after you, then you have to do the following: Call a press conference and deny anything that you are accused of. Tell them you are guilty of bad dgment but you are clean as the driven snow. Offer a reward to any-one who can prove otherwise. (If for some reason there is a danger of losing the reward, cancel the press cooference and go into a "no com-

ment" mode.)
Attack all press stakeouts as un-American and beneath the dignity of a political campaign. Say you don't care for yourself but you worry about the American farmer and people who are on Social Security.

If that doesn't work, admit you were guilty of something or other and if you had it to do all over again you would go to a Baltimore Orioles doubleheader and order a hot dog instead.

The question of your presidential qualifications may come up. If it does, insist you are a better presidential candidate now than you were yesterday because you wenthered a crisis. Point out that it takes a strong man to repulse the kind of attack you have been under. Declare that anyone can walk in the front door of his house and walk with great visioo to go in the froot

door and come out the back. Finally, if nothing works you can always say, "I made mistakes, but they were mistakes of the Hart."

A Brechtian on the Theater of Opera

By Andrew Clark

GENEVA — Polemic and dia-lectic are words that crop up regularly in François Rochaix's conversation and in his work but they could not be further from the man himself. Rochaix, the stage director for the forthcoming oew production of Mozart's "La Clemenza di Tito" at the Grand Théatre bere, is gentle, relaxed and unflappable as theater people go, a man who impresses singers with his intelligent motivation during rehearsals, and who brings to opera an educated respect for music as well as a Brechtian sense of humor.

Rochaix's first major opera production was Benjamin Britien's "The Turn of the Screw" in Geneva six years ago. Since then he has tackled two other Britten operas, two by Mozart, as well as some Debussy, Stravinsky and Wagner — all in Geneva, where he as born and lives with his actress wife and young family in a nearby village overlooking the lake and Mont Blanc. His "Turn . of the Screw" production was also staged in Washington, D.C., and last year he was responsible for a new staging of Wagner's "Ring" in Seattle. He will spend six weeks this summer rehearsing a revival of that production, the first night of which, Ang. 2, coincides with his 45th birthday. With a new production of "Carmen" shortly after, also for the Seattle Opera,

he has a full plate. So far. Rochaix's work for the lyric theater suggests that he is most comfortable in the 20th century. In the straight theater, too, it actually did Hindemith's "Hin was the 20th-century repertory und Zurück" in the early 1970s that was the platform for his apprenticeship and early successes.

Uousually for a French-speaking Swiss, Rochaix was educated in German-speaking Bern, where he became a ski champion and studied piano. The dream of becoming a musician soon faded, but his musical training was to become invaluable when his career turned to opera. It was to the straight theater that he initially devoted his energies, becoming founder director of the 300-seat Théâtre de l'Atelier in Geneva at the age of 20, learning the trades

Brecht lestival a year later, in 1964, prompted Helene Weigel, Brecht's widow, to visit Geneva Brecht's widow, to visit Geneva with the Berliner Ensemble—its first trip to the West after the on, Rocheix bad annual invitations to attend rehearsals of the company in East Berlin and study under Benno Besson at the Deutsches Theater.

"That was my main theatrical school. Back in Geneva, I directed most of the big Brecht plays from "Baal" to "Mother Courage," developing my understanding of Brechtian etiquette and at the same time facing mounting politi-cal problems with the Geneva city authorities. Geneva proved a strong international platform for the main Swiss French-speaking filmmakers. All my early days were spent making theater, often in relation to other expressions like film, and always in a very concrete pobtical context. The authorities wanted to close the theater, but there was a public out-

Rochaix subsequently moved to the suburb of Carouge, becoming director of the Thestre de Carouge in 1975 and resigning in 1981 when he felt the authorities were not giving him enough sup-port. In his final year there, he had a fortuitous meeting with Hugues Gall, who had just been appointed director of the Grand Theatre and was sufficiently impressed to propose an opera production to Rochaix.

but the problem was that I was always acting or directing. My first proper experience with opera was a happy one, because with Hugues Gall's approval we did The Turn of the Screw" in my own theater at Carouge, the set was already on stage when the singers arrived, we had a wonderful cast and I was able to learn a lot from the conductor, Roderick Brydon. I never accept to stage an opera now unless I have a full four weeks of rehearsal.

"But I don't want to lose contact with the straight theater, beof acting, managing and directing cause that is where you find the through practical experience. His sources of acting. The danger



François Rochaix.

when you do too much opera is which will have six performances that it becomes like a drug, and from May 14 to 26 - is Rochaix's and had habits. I will never accept the school of operatic acting where a singer behaves like the last of the straight-theater amateurs. When an actor doesn't find the solution, he can't cover up, it's just bad acting. So I like to go from one to the other. After my opera experience I find I'm exploring more of the rhythmical side in straight theater, and coming back to opera, I tend to ask a lot of the singers as actors. They

the singers are so accustomed to only remaining project in Geneva having unsolved problems that for the foreseeable future. The they drift into the old solutions main focus of his spoken theater work has moved to Norway, where he was recently appointed an associate director of the National Theater. His visits there have been steadily increasing since 1981 -he now speaks flu-'ent Norwegian - and he has made a commitment to stage one full-length play for the company each year for the next five years. Other projects include a return to Scotland next year for a revival of his staging of Britten's "Death in Venice" for Scottish Opera, and a feed each other constructively."

Venice" for Scottish Opera, and a

"La Clemenza di Tito" — series of opera productions in

Brydon. Their highly successful work in Britten's "Owen Wingrave" at Lucerne earlier this season has whetted Rochaix's appetite for the rest of the Britten

"His music is as precise as text. It's a syntax. Coming from the straight theater, I found it presented few problems of timing and coming from an education and city that is Protestant, Calvinist and Puritan, I feel I have something to share with Britten's world. It's interesting listening to his recordings, how he seems abraid of the violence and sensuousness in his own music. He makes it all very civilized. There's no dialectic, no astonishment.

"I have to have a specific refationship with the work I'm directing. If somewhere in an opera I can find an archetype of my own experience, of moments of my life today, then it's worth doing as theater. If not, it's museum to me, I have no motivation. I'm not a repertory man."

Rochaix has enough experience of the German theater to be wary of what he calls "gadget theater shock theater, directors project-ing private visions onto a work with which they have no real connection. I know what Brecht said - that when a performance is dividing an audience, something is right. The trouble is some people want to provoke this polemic a little to easily. After "The Turn of the Screw" in Geneva, we said something must be wrong, we had no opposing voices. Then after the same production in Washington, we had critics who said a seven-year-old child could have staged it better. We need this also. We have a right to some failures that's something involved in-our taking risks. The real polemic comes quicker in opera, however, partly because of the social ritial

I'd be a little afraid." Andrew Clark is a journalist and

music critic based in Switzerland

of first-night audiences. If you tell

them an interesting story, they're

horrified because they can't listen calmly to their music. If such au-

diences suddenly liked my work,

PEOPLE

Burglars in Paris Take Saint Laurent Originals .!

Thieves stole originals of some of Yves Saint Leurent's winter baote conture collection from a Paris showroom over the weekend, the police say. They said the clothes, from leather and silk designs Saim Laurent planned to present in forthcoming showings, were valued at about one million francs (about \$165,000). Experts say there is a huge market for the creations of famous designers, as invitators copy them and flood world markets before the originals appear.

Salvador Dali spent Monday 26-parently disregarding his 83d bit a-day. "Telegrams have been arriving day. "Telegrams have been arriving all morning but Dali has paid little attention to them," said the artist's private secretary. Maria Teresa Brugues. "He said nothing when I wished him happy birthday. He spent the morning leafing through the newspapers as he usually does." she said. Dali, who suffers from Parkinson's disease and arterioscle-Parkinson's disease and arteriosclerosis, rarely ventures from his bedroom in a tower wing of the Dali Museum in his native Figueres, 80 miles (130 kilometers) north of Barcelona, according to close

Buffalo Bill Cody's grandson unveiled a plaque to honor the man he called America's first goodwill ambassador to Europe, 100 years after Cody's Wild West show gave Brisain its first look at cowboys and Indians. William Garlow Cody, a lawyer and lecturer, now runs a dade ranch near Cody, Wyoming, founded by his grandfather, unveiled the bronze plaque with a bust of Buffalo Bill in Earl's Court exhibition hall, on the site of the showground where the Wild West show opened on May 9, 1887.

Bob Hope wouldn't let his birthday pass without a television special and this year's, which is being finned at Pope Air Force Base in Fayetteville, North Carolina, also will also celebrate the 40th birth-day of the U.S. Air Force. The show will be aired May 25, four days before Hope turns 84, and will feature Brooke Shields, Barbara Mandrell, Lucille Ball, Phyllis Diller, Don Johnson, Enny Lewis, Phylicia Rashad, Gleb Campbell, the band Alabama and Kirk Cameron of "Growing Pains."

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